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Bobby W. Sparrow

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January 8, 2004

RECEIVED

Mr. Thomas M. Dorman
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

JAN 09 2004

PUBLIC SERVICE
COMMISSION

RE: Proposed Wholesale Rate Adjustment
South Anderson Water District
PSC Case No. 2003-00394

Dear Mr. Dorman:

As requested in the *Notice of Informal Conference and Request for Information* dated December 19, 2003, we are providing seven (7) copies of the following documentation:

- City of Lawrenceburg *Water and Sewer Rate Analysis*, prepared by CDP Engineers, Inc. and dated June 2001, contains the proposed rate increase, a narrative explanation of the study results, and supporting documentation.
- *Report of Audit* for fiscal year ending June 30, 1999 as prepared by Farmer & Humble, Certified Public Accountants.
- USDA, Rural Utilities Service Bond Schedule for the \$8,778,000 low interest loan issued to the City of Lawrenceburg for water system improvements. The Bond Schedule provides the level of earnings required to retire the debt.
- *Letter of Conditions* issued by USDA Rural Development and dated December 3, 2001 which specifies water and sewer rates to be charged by the City of Lawrenceburg.
- Monthly billings for each of the utilities that receive wholesale water service for calendar year 1998 and January through June of 1999.

Representatives of the City of Lawrenceburg will attend the informal conference scheduled for January 21, 2003. Should you have any questions or require additional documentation prior to the conference, please contact us.

Sincerely,

Edwinna Baker
City Clerk

copy w/ documentation: Ray Edelman, SAWD Legal Counsel

P.O. Box 290

205 East Woodford Street • Lawrenceburg, Kentucky 40342 • Email: cityhall@dcr.net

CITY OF LAWRENCEBURG, KENTUCKY

WATER AND SEWER RATE ANALYSIS

RECEIVED

JAN 09 2004

PUBLIC SERVICE
COMMISSION

PREPARED FOR:

GARY L. CHITTON, Mayor

BOBBY SPARROW DEAN RYOCK
ROBBIE HUNE JEFFREY FORD
LARRY GILES KEVIN EVANS

PREPARED BY:



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JUNE 2001

City of Lawrenceburg, Kentucky

Water and Sewer Rate Analysis

Prepared for
Gary L. Chilton, Mayor
Larry Hazlett, Public Works Director
Edwinna Baker, City Clerk
Lisa Blandford, Treasurer

City Council

Bobby Sparrow
Robbie Hume
Larry Giles

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Prepared by:

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June 2001

CDP Engineers, Inc., wishes to thank the following individuals for their assistance in preparation of this study:

Gary Chilton, Mayor

Edwinna Baker, City Clerk

Lisa Blandford, Treasurer

Larry Hazlett, Public Works Director

Debbie Steele, Sr. Customer Service Representative

Introduction

The City of Lawrenceburg owns and operates water and sewer utility systems serving the residents of Lawrenceburg and surrounding areas in Anderson County. The existing water plant was constructed in 1979; the sewer plant was constructed in 1982. The water plant uses conventional treatment processes (flocculation, sedimentation, filtration, and chlorination) to treat raw water from the Kentucky River. The sewer plant uses a fixed film biological (rotating biological contactor) treatment process. There are currently approximately 4,200 water customers and 3,700 sewer customers directly served by the Lawrenceburg systems. Lawrenceburg also supplies treated water to the Alton Water District and the South Anderson Water District and provides sewer service to Alton Water District.

The current water and sewer rates for direct and wholesale customers are listed in Appendix A. Appendix B contains graphs that compare Lawrenceburg's residential water and sewer rates for 4,000 gallons of water to other municipalities with populations over 2,500 in the Bluegrass Area Development District (BGADD). The water and sewer rate information was taken from "The City and County Rates," BGADD, September 1999. Lawrenceburg's current water charge for 4,000 gallons, \$12.21, is 12 percent lower than the average of the 18 cities surveyed. The sewer charge, \$14.00, is 6 percent lower than the average. BGADD compared several usage volumes in addition to the 4,000 gallon category. They determined Lawrenceburg charges the lowest water rate for the highest usage category, 300,000 gallons and above.

The City and County Rate publication also included rates paid by the 44 water utilities that purchase water for resale. Of those utilities, only one, North Mercer Water District, pays less per thousand for treated water than Lawrenceburg's wholesale customers, Alton Water District and South Anderson Water District. (Western Rockcastle Water Association's rate is reported lowest at \$1.07, however, their rate has recently increased to \$1.21 per thousand.) Appendix B also includes a graph of wholesale water rates in the BGADD.

Lawrenceburg's water revenue has increased by over six percent each year for the past three years, however the increase in revenues has not kept pace with new and imminent increases in costs. New drinking water regulations, namely the Interim Enhanced Surface Water Treatment Rule and the Disinfectants/Disinfection By-Products rule, require more of purveyors and more of their facilities and equipment. Additionally, the benefits of the growth enjoyed by Lawrenceburg have associated costs. The existing water plant consistently operates at greater than 80 percent capacity. According to the Kentucky State Data Center, Anderson County is 1 of 16 Kentucky counties predicted to experience a 50 percent increase in population from 1990 to 2020. An illustrative summary of statewide population trends is included in Appendix C. Given these data, city leaders have recognized the urgent need to upgrade the water utility upon which so many households will continue to depend.

Capital improvements such as water treatment plants are expensive projects. The cost of providing water service includes many expenses, including payment of debt service for capital construction. The city officials recognize the necessity to generate revenues sufficient to meet expenses. A rate study provides summaries of the utilities' revenues and expenses and gives city officials the information they need to make decisions regarding the adequacy of existing rates or the need to adjust them.

This rate study is divided into two parts. Part I explores the need for rate adjustments by determining the current expenses and revenues and estimating the expenses and revenues for the next five years. Estimations of future expenses include allowances for the water and sewer improvements needed to continue reliable service and remain in compliance with federal and state regulations. Additionally, Part I concludes with an estimation of the revenue needed to support the expenses.

Part II continues the study by offering several recommendations for the rate structure needed to generate the required revenues estimated in Part I. Considerations for the proposed rate structure are identified and discussed. Additionally, the concluding

paragraphs include recommendations such as indexing and accounting systems. Other important cautions are offered for consideration.

Part I

Determining the Need for Rate Adjustments

Water and sewer utilities should periodically review rate schedules to determine if adjustments are necessary. With government-owned utilities like Lawrenceburg, the process is more often triggered by the identification of a needed infrastructure improvement project. However, several factors can initiate the call for a rate study. Annual audits, required of municipalities, can identify revenue shortfalls. Agencies, which offer funding for infrastructure projects, have minimum coverage requirements. Recently, as required by amendments to the Safe Drinking Water Act, public utilities must exhibit financial capacity to remain in existence.

All of the above factors prompt the utility to examine its financial status. One general question can be asked, "Do we generate enough revenue to effectively and responsibly operate our utility system?" Further, water and sewer utilities within a municipality should be financially independent; they should cover their own costs from sales of service and development charges and not accept or transfer funds among departments creating a cross-subsidy situation.

The fiscal responsibility must be balanced with the need for affordable rates and the encouragement of business development. The city should generate enough revenue to cover expenses and fund responsible capital improvements. At the same time, families or individuals with low incomes should be able to afford a minimum volume of water. Water rates for commercial customers should remain attractive to new and existing businesses. Finally, wholesale water rates must remain affordable; wholesale sales are an important source of revenue.

To find the appropriate balance, we must study and predict revenues and expenses. Such predictions require careful study of historical trends in revenues and revenue requirements. The predictions should encompass estimates of water sales, characteristics of customer classes, costs of identified capital expenditures, and other trends and

expectations. Although still an estimate, careful study increases the confidence in our decision to adjust rates.

Expenses

Lawrenceburg, like most other municipalities, uses the cash-needs approach to determine water and sewer revenue requirements. Under the cash-needs approach, the cost for publicly owned utilities is the sum of operating expenses, payments in lieu of taxes, debt service payments, and capital expenditures. Depreciation is not considered an expense in the cash-needs approach. Lawrenceburg's water and sewer utility expenses can be separated into two cost categories, operation and maintenance (O&M) costs and capital-related costs.

Operation & Maintenance (O&M) Costs

Water utilities incur labor, materials, and utility costs, customer account costs, and general administrative costs from the processes of treating raw water for public consumption, storing and distributing the finished water, and selling the product. These costs are typically referred to as O&M costs. The same O&M cost categories apply to sewer utilities in the collection and treatment of wastewater. O&M costs are further separated into cost-of-service, (referred to as "O&M") expenses, non-recurring O&M expenses, and interdepartmental O&M expenses.

O&M Expenses

O&M expenses include labor, material, and utility costs in producing treated water or treating wastewater. In order to determine the historical costs, we collected information on past years' O&M expenses. We reviewed audit reports prepared by Farmer & Humble, Certified Public Accountants, for fiscal years 1997 through 2000. Additionally, we studied expenditures from the water and sewer account ledgers for Fiscal Year 1999 (FY99). We compiled the information, noted any identifiable trends, then estimated the O&M expenses for five years in the future. We used the ledger for FY99 to assign expenses as they are categorized in this report. Other years' data were not assigned to the same

expense categories; they are categorized in this report as they appear on audited forms. Ideally, the National Association of Regulatory Utility Commissioners (NARUC) chart of accounts should be followed as closely as practical. Rate studies and the defense of proposed rate adjustments are much more easily constructed if the NARUC chart is used to categorize expenses. In the future, if the city pursues Kentucky Infrastructure Authority (KIA) funding, Senate Bill 409 empowers KIA to require use of the NARUC accounting system.

Non-recurring O&M Expenses

Non-recurring operation and maintenance (O&M) expenses are maintenance expenses to existing assets that do not occur routinely, or as an on-going annual expense. Non-recurring O&M expenses are not associated with creating new assets, rather with maintenance to existing ones. Examples of non-recurring O&M expenses include regional facility plans, rate studies, tank painting, and sewer system evaluation studies.

It is important to note that establishing an account for non-recurring O&M expenses, or otherwise planning for funding of such expenses is critical for the responsible management of municipal utilities, especially cities that typically do not receive federal grant money or other subsidies for capital construction. In the absence of funding an account for these capital expenditures, rate increases occur more frequently and at greater cost to the ratepayer.

Interdepartmental O&M Expenses

Interdepartmental O&M expenses consist of payments to the city government for support services to the water and sewer departments. In reviewing the FY99 water ledger, only rent (\$6,000) and building maintenance (\$2,910) were identified as interdepartmental O&M expenses.

Capital-Related Costs

Capital-related costs include debt service, contributions to reserve accounts, and capital expenditure costs that are not debt-financed. Coverage may also be considered a capital-related cost; however, we do not include it as an expense.

Debt Principal and Interest

Major capital expenditures for lines, storage, pumping, and treatment facilities are usually financed through government loans and revenue bond sales. Sources of capital may include federal or state subsidized loans, general obligation bonds, revenue bonds, and loans through private financial institutions. Periodic principal and interest (P&I) payments are required of the borrower to retire the bonds. Additionally, some financing conditions also include payments to a reserve account to ensure the utility retains the financial ability to keep the generator of revenue, i.e., the water or sewer system, operational. The principal, interest, and reserve obligations are collectively referred to as debt service.

Debt service for existing loans can be calculated from the payments listed on the bond schedules. Appendix D lists the payments for the existing bonds for Lawrenceburg's water and sewer accounts.

Future debt service should also be included in the water and sewer rate study. Lawrenceburg is in the design phase of a project to construct a new water treatment plant and an additional transmission main. To determine the adequacy of the existing water rates, some estimation of the anticipated debt service for the new facilities is needed. To estimate the future debt service, the following assumptions were made:

Table 1
Estimated Debt Service (Water Improvements)

Total Project Cost (plant and main)	\$8,800,000
Cost of Issuance	\$0
Interest Rate	5.¼%
Term	38 Years (456 months)
Reserve Requirement	≈ 10% of Annual P&I

The total project cost is based on preliminary estimates. Initially, debt service was also estimated for construction of the water treatment only, excluding the transmission main. The current project as proposed includes the new parallel transmission main. Lawrenceburg proposes to borrow 100 percent of the project cost from Rural Development. The loan terms estimated above are based on preliminary information from Mr. Terry Loper of the Shelbyville office of Rural Development (RD). The term is on an RD loan is typically 40 years, 38 years is used for debt service estimating purposes. The resulting annual debt service, approximately \$593,000, is based on the assumptions listed above. Estimates of future debt service for the water treatment plant project and the recently financed Southwest Interceptor sewer project are included in Appendix E.

Any significant variance from the assumptions made in the table will change the debt service, and, in turn the water and sewer system expenses. If the change is unfavorable, the rate increase recommended may not be adequate to meet expenses and provide adequate coverage. For this reason, we have estimated the interest rate and term conservatively. The proposed additional debt service, resulting from construction of a new water treatment plant, is applied in FY03. The debt service resulting from the Southwest Interceptor sewer project is applied in FY01.

Contributions to Specific Reserves

Contributions to the following funds or reserve accounts are capital-related costs. The contributions are a necessary and appropriate part of utility management and should be reflected in decisions regarding rates and rate schedules.

1. A Capital Replacement fund is established to replace minor and major facilities such as distribution lines, collection lines, and equipment. It is also referred to as Capital or Bonds Construction Fund.
2. A Capital Expansion fund can be used for expanding plant capacity to promote community growth. It is typically supported by capital recovery charges and customer contributions. System development charges (SDCs) may be deposited in this account. When used exclusively for parking SDCs, this account is also called a System Development Reserve Fund.
3. An Insurance Reserve fund is established to provide self-insurance for a utility to pay policy deductibles and lower insurance premiums.
4. Most are familiar with a Debt Service Reserve account. It is typically required by bond ordinance to provide protection to bond holders. It is generally set at a sum equal to one-year's principal and interest payments. It is also sometimes called an Accrued Debt Service Fund.
5. A Cash Reserve Target fund ensures the utility has the funds to pay its bills in a timely fashion. The amount held in reserve is usually equal to two months of operating revenue. It is also called an Operating or Working Capital Reserve Fund.
6. Finally, a Depreciation Reserve account is funded to pay for repairs and replacement much like the Capital Replacement fund, but, referring especially to repairs and replacements made to facilities that are used to generate revenue

to retire debt. Some funding agencies require a depreciation reserve account to ensure the utility maintains the funds to keep the facility operational.

Capital Expenditures Not Debt-Financed

Capital expenditures included in capital-related costs are the costs of the portion of capital replacement and improvements that are not debt-financed; that is, money is not borrowed to pay the costs. Unlike non-recurring O&M expenses, capital expenditures create new assets. General examples are difficult to give because a capital expenditure that is carried as a capital-related cost by one city may be debt financed by another. A specific example in FY99 for Lawrenceburg would be the remote transmitting units purchased from MicroCom.

Coverage

In addition to the debt service and the reserve accounts, most utilities, either voluntarily or by requirement, maintain a minimum coverage on their debt service. Whether mandated by funding agency directive, debt indenture, or to provide security to current and future bondholders, most coverage requirements specify that net revenues, after expenses, exceed debt service by a stated percentage. The required coverage is most often between 0.10 and 0.25, or 10 to 25 percent. Some utilities, especially privately owned ones, set up a reserve account designated specifically to hold the required coverage.

Revenues

The majority of revenues for most municipal utilities, including Lawrenceburg, are derived from water and sewer rates applicable to direct and wholesale customers of the systems. Other revenues such as rentals, jobbing, and merchandising are minimal, if they exist at all, and are not detailed in this rate study. Revenue from water sales is referred to as operating revenue, the latter are three examples of non-operating revenue. A category of non-operating revenue that is relevant to our study is Contributions to Capital and includes revenue from grants in aid of construction and system development charges

(SDCs). Another example of non-operating revenue is earnings from investments and represents significant income for Lawrenceburg.

Operating Revenue

Operating revenue includes metered sales to water customers, charges for sewer service, forfeited discounts, wholesale and other special sales, and any charges for fire protection services. Forfeited discounts include surrendered customer deposits and late charges. Operating revenues from sales to retail customers for the water and sewer departments can be estimated using test periods. A test period, or test-year, is a projection of future revenue built on historical data. Once the accuracy is verified, future revenue can be estimated by adding new customers or substituting new rates. Appendix F contains the water and sewer test periods for the Lawrenceburg water and sewer systems. The water test year estimate with existing rates was compared to total water billings for FY00. The test period projected revenue within two percent of actual retail billings. (One industrial customer is currently receiving a 25 percent discount on their water bill in accordance with an agreement executed when they first began operation.) The sewer test period projected FY00 revenue within one percent.

Wholesale customers accounted for over 23 percent of total operating revenue for the water system in calendar year 1999. Wholesale sewer customers contributed just under two percent of total sewer operating revenue. Wholesale revenue for the water system is especially critical and warrants careful estimation. Revenue from wholesale sewer customers has the potential to increase significantly, however, the increase is difficult to predict. For purposes of this rate study, wholesale sewer revenue is projected to increase five percent per year.

Increases in water revenue from wholesale customers require more conservative estimates. Lawrenceburg sells treated water for resale to the Alton Water District and the South Anderson Water District. Appendix G contains a graph of annual water sales to the two wholesale customers from January 1996 through December 1999. Annual sales are summarized below:

Table 2
Wholesale Water Sales

Calendar Year	Annual Gallons Purchased by Alton	Annual Gallons Purchased by South Anderson
1996	72,348,700	90,800,400
1997	93,204,000	104,356,300
1998	99,507,900	108,087,600
1999	108,263,900	121,944,800

During the summer of 2000, South Anderson Water District (SAWD) signed a contract with the Frankfort Plant Board to purchase treated water for resale. The revenue projections made in this report assume that the volume of water SAWD proposes to buy from Frankfort is that which is required to meet the new demands from customers of the proposed 24-mile line extension for SAWD. However, to be conservative in predicting revenue available to Lawrenceburg for debt service, the predicted revenue increases are due only to an increase in the direct customer base and not due to increases in water sold to SAWD or the Alton Water District, the wholesale customers. Furthermore, the revenue requirements set forth in this report are based on a directive to assume no loss of revenue from SAWD. The potential problems of estimating any revenue from the wholesale customers are discussed to a greater extent in Part II.

Non-Operating Revenue

Lawrenceburg's non-operating revenue primarily includes contributions to capital and interest and dividend income. Other non-operating revenue such as jobbing and rentals offer little if any revenue and are not discussed.

Contributions to Capital

Contributions to Capital is non-operating revenue consisting, for our purposes, of grants in aid of construction and revenue from SDCs. Although Lawrenceburg has not realized appreciable revenue from either of these categories in the past, we want to consider the impact they could have, especially SDCs, on future revenue. Predictions of income from SDCs appear as expenses within contributions to

selected reserve accounts as well as non-operating income. The net effect of SDCs to revenue is zero since the proceeds will go toward capital improvements needed to serve the contributing development.

Interest and Dividend Income

Lawrenceburg has invested water and sewer reserves and re-invested bond proceeds wisely. The interest earned on those monies is reported as non-operating revenue. Through continued wise management and sound financial advice, continued revenues are expected from investments.

Worksheets and Explanations of Estimates

The worksheets that follow present the trends and assumptions made regarding expenses and revenues of the Lawrenceburg water and sewer accounts. Appendix H contains Operation and Maintenance Expenses (water and sewer) and provides estimates of future operation and maintenance expenses, usually by increasing the previous years' expenses by two percent. The following notes explain assumptions made which led to predicted expenses not following the uniform two percent increase:

Water

- FY01 expense categories and amounts were applied similar to the FY99 ledger categories rather than the FY00 audit categories.
- In FY01, in the category, "Gas and Oil" the increase was greater than two percent due to the rising costs of fuel across the nation;
- In FY00, the increase in "Non-Recurring O&M Expenses" was due to the cost of engineering consulting services in preparation of major capital improvements projects and a rate study;
- FY 01 "Interest, Taxes, and KRA Fees Paid" is an estimate made without the benefit of a identifiable trend;
- FY01 "Non-Recurring O&M Expenses" while not as large an increase as the previous year, is still projected to increase due to the proposed improvements.

- In FY02, the increase in “Salaries and Benefits” reflects the addition of one employee at \$36,000 per year;
- In FY03, the increase in “Legal, Engineering, and Lab Services” is due to increased monitoring requirements of the Interim Enhanced Surface Water Treatment Rule and the Disinfectants/Disinfection By-Products rule.

Sewer

- In FY00, the increase in “Non-Recurring O&M Expenses” was due to the cost of engineering consulting services in preparation of major capital improvements projects;
- In FY01, the amounts entered for “Supplies,” “Materials,” and “Chemicals” are taken from the lump sum from FY00 then increased by two percent;
- In FY01, the amount entered for “Maintenance and Repair” is an estimate made without the benefit of a clear trend in past years;
- In FY01, in the category, “Gas and Oil” the increase was greater than two percent due to the rising costs of fuel across the nation;

Appendix I contains a spreadsheet that identifies the various reserve accounts. Appendix J includes the Flow of Funds (water and sewer) worksheets that incorporate anticipated revenues and debt service to determine the net balance from operations. The following comments pertain to the estimates made in the fund flow worksheets:

Water

- In Projected Year 1, “Operating Revenue – Water Service” is increased by adding 50 minimum bills (at existing rates) per year;
- In Projected Year 2, “Non-operating Revenue” is increased by estimating 10 system development charges per year at \$550 each;
- In Projected Year 2, “Contributions to Specific Reserve Accounts” is increased by estimating 10 system development charges per year at \$550 each;
- In Projected Year 2, “Capital Expenditures Not Debt-Financed” becomes included in the previous line, “Contributions to Specific Reserve Accounts;”

- In Projected Year 3, "Proposed Principal and Interest" begins to reflect the debt service on the proposed water treatment plant.

Sewer

- In Projected Year 2, "Non-operating Revenue" is increased by estimating 10 system development charges per year at \$650 each;
- In Projected Year 2, "Proposed Principal and Interest" begins to reflect the debt service on the Southwest Interceptor project;
- In Projected Year 2, "Contributions to Specific Reserve Accounts" is increased by estimating 10 system development charges per year at \$650 each.

(We would expect that system development charges would be larger than those shown, however the revenues and expenses cancel out and the familiarity with the concept is stressed, and not necessarily the value of the charges.)

The fund flow worksheets conclude with estimates of the net balance from operations, and the percent deficiency of water/sewer service revenue. The largest deficiency (in Line No. 14) is taken as the recommended increase in revenue needed to adequately meet expenses. The water worksheet indicates a 58 increase in water revenue is needed; a 28 increase is recommended for sewer.

The estimated revenue increase needed assumes that the proposed water infrastructure project includes a new treatment plant and a transmission main.

Appendix K includes the last two worksheets, Flow of Funds – Increased Rates, which estimate the net balance from operations after the rate increases are applied. The last line indicates the coverage achieved.

It is prudent to reiterate the worksheets are built upon assumptions made in earlier worksheets and estimations of interest paid and earned. Significant changes in proposed debt service, anticipated project costs, additional O&M expenses or savings, and/or wide

fluctuations in revenues (especially consistency and reliability of wholesale revenue) may result in a shortage or surplus in net revenues.

Part II

Part I of this rate study reviewed the financial information and detailed the process by which we arrived at the recommendation of Lawrenceburg's need and the amount of a water rate increase. Part II of this study is designed to provide recommendations for the rate structures which will generate the revenues we have estimated as being sufficient to meet future water and sewer system expenses.

Considerations of Utility Rate Structure

Once the need for a utility rate increase is identified, developers of the new schedule must consider several issues. The priority of the considerations may be unique to each utility. The list below represents the most common considerations in implementing a new or revised rate schedule:

- Financial Sufficiency
- Ease of Implementation
- Customer Impacts
- Equity
- Simplicity
- Water Conservation

The appropriate schedule takes all of the above into consideration, weighing each as how they will affect the community or customer base.

Financial Sufficiency

Revenues derived from the sale of potable water and the collection of wastewater provide the means for utilities to pay the costs associated with the services. The revenues generated from sales of utility services should be sufficient to meet the O&M, capital expenditure, and debt service costs of the utility. Sufficiency also includes a margin of safety previously defined as debt coverage.

Ease of Implementation

The rate structure ordained for revenue generation should be relatively easy to implement. The structure should be compatible with existing billing software capabilities and established meter-reading procedures. Additionally, subsequent changes or revisions to the rates should be possible within the established structure.

Customer Impacts

Another consideration of the utility rate structure is what impact the new rates will have on the customers of the utility. Customers with lower or fixed incomes generally experience more anxiety when utility expenses increase. Government owned utilities, either by their own accord or through public regulatory commissions, endeavor to keep the rates as low as possible. Water or sewer rates must remain affordable for those on fixed incomes and attractive to potential commercial and industrial customers.

Informing the public that utility rate increases are imminent is not an enviable job. Public education and awareness campaigns should be used to minimize the public's anxiety and to explain the need for the increase. The Consumer Confidence Report published in the newspaper was an important first step in making customers aware of the regulatory requirements levied on producers of potable water. The report is issued every year and could be used as an annual reminder of the costs associated with providing water service. In addition, factual newspaper articles explaining why revenues must increase may help to soften the impact of the rate increase. Finally, if possible, explain the measures taken to minimize the impact on the customers with fixed incomes. This will serve to provide some comfort to the fixed income customers and explain to others why their rates may have increased by a greater percentage. Residential customers typically receive the most consideration when efforts are made to minimize the impact of a rate increase. They have less control over their cash flow than commercial customers. To a degree, commercial customers have the ability to increase revenue to overcome or pass-through any increase in expenses a utility rate may bring. Any efforts, though, to minimize the impact on a particular customer class should be balanced with providing the greatest equity possible to all customers.

Equity

The American Water Works Association (AWWA) defines “equity” as the degree to which customers contribute their relevant share of the cost of service. A base cost is associated with providing water or sewer service to each customer, regardless of the volume of water used by that customer. For example, administrative costs are realized for setting meters, reading meters, and preparing and mailing water bills. Those administrative costs are the same whether the customer averages 500 or 35,000 gallons of water used per month. Certain capital expenditures are necessary for continued supply of quality water for all customers while some clearly benefit only specific customers. Some utilities have initiated system development charges (SDCs) to provide a means to assign the cost of an upgrade or extension to the specific customer benefiting from the improvement. The Kentucky Public Service Commission (PSC) has ruled that SDCs are an appropriate means of financing growth-related capital expansions. Additionally, the PSC ruled that municipalities have the authority to assess SDCs on their direct and wholesale customers, to include PSC-regulated utilities.

Simplicity

In efforts to educate the public on impacts and equity of the utility rates, a certain degree of simplicity in the rate structure has distinct advantages. If customers can understand the rate structure, they are usually less anxious regarding the impact to their household income. If the structure is simple, they can calculate the proposed increase to their bill using the average usage and the schedule provided by the utility. Additionally, if the utility strives to maintain simplicity, the staff can better explain charges to customers with questions regarding their bill.

Water Conservation

Finally, rate structures can be developed with the primary or secondary goal of water conservation. Historically, most rural utilities employ a declining-block rate schedule. That is, on a per gallon basis, the cost of water decreases as volume increases. In this scenario, it is not particularly advantageous to conserve water. An inverted-block

schedule is the opposite of a declining-block schedule; costs per gallon increase as consumption volumes increase. Other structures, such as uniform-block, seasonal, and off-peak rates, encourage water conservation as well. While somewhat effective, the use of alternate rates for water conservation should be weighed against simplicity, implementation, and equity considerations.

Based on conversations with the city officials, we have emphasized three considerations in recommending a rate structure: financial sufficiency; customer impacts; and equity. The remainder of the study relies on the assumption that these three considerations are the ones of highest concern.

Before options for new rate structures were identified, we studied the characteristics of the existing customer base to provide the information we needed to evaluate the impact and equity of rate structures of various customer classes.

Characteristics of Water Customers

Before we can study ways to minimize the impact of a rate increase on a particular customer class, we need a general idea of the characteristics of Lawrenceburg's water and sewer customers. The table below identifies water customer classes, the size of the class, the average gallons used per month, and the corresponding revenue generated by each class. Sewer customer characteristics are similar to those of water customers.

Table 3
Use and Revenue Breakdown by Customer Class
Based on FY99 Test Period (98% of actual)

<u>Customer Class</u>	<u>Current No. in Class</u>	<u>Estimated Gallons per Month</u>	<u>Estimated Revenue per Month</u>
City Residential	3,320	14,907,500	\$47,604
City Commercial	340	6,534,500	\$9,134
County Residential	431	2,448,000	\$7,735
County Commercial	55	3,957,500	\$5,934
Wholesale	2	18,089,025	\$21,164
Totals	4,148	45,936,525	\$91,571

Residential city and county water customers comprise over 90 percent of total customers and 61 percent of the total revenue. Commercial water customers are approximately 10 percent of the total number and contribute just over 16 percent of the revenue. Wholesale customers number just 2, buy 39 percent of the water produced, but contribute only 23 percent of the total revenue.

In a closer review of Anderson County households, 1,459 live on social security wages, 435 live on public assistance income, and another 702 live on retirement income. Of the social security households, the average wage is \$7,021. Public assistance households average \$3,252 and those households living on retirement income average \$8,065 per year. The average size of an Anderson County household is 2.66 persons. The average volume of water used by residential customers is 4,630 gallons per month.

The revenue generated from the sale of the first 2,000 gallons (minimum bill) to each customer constitutes approximately 10 percent of the total revenue generated from residential customers. Approximately 18 percent of residential customer accounts average usage of 2,000 gallons or less. Charts included in Appendix L illustrate the residential customer class contributions by usage block.

Goals and Objectives

Different goals and objectives exist for the water and sewer systems with regard to establishing new rates. Lawrenceburg recognizes the immediate need for additional water treatment capacity. We have determined that a significant water rate increase is needed to pay the debt service for the design and construction of a new treatment plant. Further, we want the rate structures to generate sufficient revenue, to be equitable, and to minimize the impact on ratepayers. The same applies to the sewer system, however the rates selected are not to cover a proposed debt but to manage and fund the existing system.

It is necessary at this point to discuss the water and sewer rate schedules separately. We will discuss the recommended sewer rate schedule first since it does not involve significant complications, as does the water rate schedule.

Financial Sufficiency (Sewer)

We have previously determined that a 28 percent increase in sewer revenues should be adequate to pay Lawrenceburg's sewer system expenses. The rate structure chosen must ensure the required level of revenue.

Lawrenceburg depends on sewer revenues from 3,660 residential and commercial direct customers and 1 wholesale customer. The revenue stream is very reliable and includes several large industrial customers. The wholesale customer, Alton Water District, contributes approximately nine percent of the total sewer revenues. Wholesale sewer revenue is more reliable than wholesale water revenue because of the difficulties and costs associated with conveying wastewater to a different treatment plant. If a water utility is in close proximity and possesses a compatible hydraulic grade line with multiple water suppliers, changing the source of supply can be relatively inexpensive.

The recommended 28 percent revenue increase indicates financial sufficiency for the next five years; we can provide an additional measure to automatically adjust the sewer rates to keep pace with increasing costs for goods and services. Tying the rates to an index

such as the Consumer Price Index allows periodic increases without the need for ordinance changes. Stipulations can be made as to the maximum automatic increase or the frequency of adjustments. Additionally, precautions taken in selecting the published index can ensure increases (or decreases) more representative of the increases realized from equipment purchases, utilities, or professional services.

Customer Equity (Sewer)

Ideally, every customer whether wholesale, residential, or commercial is required to pay their relevant share of the cost of service. There is always a desire to protect those of fixed income and to entice and attract industrial customers. Each utility commission or governing body must make trade-offs and balance social concerns with progressive business decisions.

Lawrenceburg currently employs a declining-block rate structure for water and sewer customers. Declining-block rate structures, while once the norm, are being abandoned throughout the United States and Canada because they do not promote water conservation. Some municipalities still employ a declining-block structure to attract business and industry. City leaders have requested a continuation of the declining-block structure for water revenues. There is a desire to lessen the economy of higher water volume usage. Declining-block structures for water revenues generally favor wet industries or ones with significant volumes of water used in cooling towers. Most wet industries are related to food or drink production. Their wastewater characteristics include high concentrations of pollutants that are expensive to treat. Those industries that use large volumes of cooling water typically meter their discharge to ensure they do not pay for wastewater that never reaches the sewer system. Declining-block sewer rate structures are not recommended since their value is diminished by the very customers they are designed to attract. The recommended rate structure employs the use of uniform-block pricing.

The most equitable way of distributing costs among the customers is to divide the cost of service for the sewer system by the total gallons of water sold to sewer customers. We

must recognize that the cost of serving the wholesale customer is not the same as serving the direct customers. The resulting cost per gallon is assigned to each gallon sold unless there exists a desire to lessen the impact on certain customer classes.

Customer Impact (Sewer)

A major consideration in setting a new rate structure is always the desire to lessen the impact on those customers with low or fixed incomes. Typically, older customers fall into this category and use less water, and therefore discharge less wastewater, per month than the average residential customer. Our best attempt to lessen the impact to those on fixed incomes is to protect the minimum bill. Sewer test periods with the proposed rate structure are included in Appendix M.

Proposed Sewer Rates

The following rate structure generates the required 28 percent increase in operating revenues and is recommended for the Lawrenceburg sewer customers:

must recognize that the cost of serving the wholesale customer is not the same as serving the direct customers. The resulting cost per gallon is assigned to each gallon sold unless there exists a desire to lessen the impact on certain customer classes.

Customer Impact (Sewer)

A major consideration in setting a new rate structure is always the desire to lessen the impact on those customers with low or fixed incomes. Typically, older customers fall into this category and use less water, and therefore discharge less wastewater, per month than the average residential customer. Our best attempt to lessen the impact to those on fixed incomes is to protect the minimum bill.

Sewer test periods with the proposed rate structure are included in Appendix M. Additionally, graphs comparing the proposed rates with those of other municipalities in the BGADD are also included.

Proposed Sewer Rates

The following rate structure generates the required 28 percent increase in operating revenues and is recommended for the Lawrenceburg sewer customers:

Residential and Commercial Sewer Rates

Volume	Rate per 1,000 Gallons
First 2,000 Gallons (minimum bill)	\$18.48
All Over 2,000 Gallons	\$4.10

Wholesale Sewer Rate

Volume	Rate per 1,000 Gallons
All Gallons	\$1.73

Financial Sufficiency (Water)

We have previously determined that a 58 percent increase in water revenues should be adequate to pay Lawrenceburg's water system expenses. The rate structure chosen must ensure the required level of revenue.

Lawrenceburg depends on revenues from 4,146 residential and commercial direct customers and 2 wholesale customers. The revenue stream from the direct customers is steady and dependable since the Lawrenceburg water boundary is defined by limits of incorporation and by service areas of neighboring utilities. The two wholesale customers, SAWD and Alton, purchase water from Lawrenceburg in accordance with terms of water purchase agreements. The larger customer, SAWD, is not contractually obligated to purchase a specified minimum volume of water from Lawrenceburg. They currently purchase approximately 21 percent of all water produced by Lawrenceburg.

SAWD recently contracted with the Frankfort Plant Board to purchase water for resale. According to the "Evaluation of Regional Water Supply Alternatives," prepared for Lawrenceburg by Commonwealth Technology, Inc. (CTI), "SAWD could, in the future, purchase all of their water from Frankfort." Representatives from Lawrenceburg feel strongly that the purchase from Frankfort will not exceed 100,000 gallons. To ensure adequate revenues, Lawrenceburg must determine the volume of water to be purchased by SAWD from Frankfort, execute a water purchase agreement with SAWD with a

guaranteed minimum volume purchase, and/or set a rate schedule without SAWD as a wholesale customer.

Finally, although the recommended 58 percent water revenue increase indicates financial sufficiency for the next five years, we can provide an additional measure to automatically adjust the water rates to keep pace with increasing costs for goods and services. Tying the rates to an index such as the Consumer Price Index allows periodic increases without the need for ordinance changes. Stipulations can be made as to the maximum automatic increase or the frequency of adjustments. Additionally, precautions taken in selecting the published index can ensure increases (or decreases) more representative of the increases realized from equipment purchases, utilities, or professional services.

Customer Equity (Water)

Ideally, every customer whether wholesale, residential, or commercial is required to pay their relevant share of the cost of service. If there is a desire to protect those of fixed income, entice and attract industrial customers, and, now, market and keep wholesale customers, the rate schedule stands little chance of being equitable in the ideal sense. Each utility commission or governing body must make trade-offs and balance social concerns with progressive business decisions.

The current water rate structure is not equitable. Wholesale customers buy 39 percent of the total water sold but revenue from sales for resale contribute only 23 percent to the total revenues from water service. Some difference in the percentages is defensible; some expenditures may be limited to distribution lines that wholesale customers do not impact or use. A 16 percent difference, however, is excessive. After some calculations, it is apparent that, to charge the wholesale customers their fair share of costs of service would surely jeopardize all wholesale revenue. The decision must be made as to how many subsidies the direct customers can absorb, or how much is justified to keep the overall direct customer rates at a minimum.

Another objective to achieve customer equity is to lessen the economy of the declining-block rate structure for residential customers. With regard to equity, assumptions are made as to the user who typically uses water volumes in excess of 10,000 gallons. Normal sanitary water use for a family of four can easily total less than 10,000 per month. Usage in excess of that volume usually includes uses such as lawn watering, vehicle washing, recreation, or a general lack of conservation. Those usage patterns may not merit a price per gallon reduction, or at least not a significant one. Additionally, to those families introducing conservation measures, a declining-block structure may not be equitable.

Customer Impact (Water)

A major consideration in setting a new rate structure is always the desire to lessen the impact on those customers with low or fixed incomes. Typically, older customers fall into this category and use less water per month than the average residential customer. We can estimate that they, more than any other group of customers, could exist on a minimum sanitary requirement of water. (Texts have offered 40 gallons per capita per day as a minimum sanitary requirement, e.g., AWWA, M34.) In addition to older customers, low-income families merit some protection.

Without verifying employment, retirement, and income status every year, our best attempt to lessen the impact to those on fixed incomes is to protect the minimum bill. We have established that the revenue generated from the minimum bill is 10 percent of the total residential revenue. Some increase must be assigned to the minimum bill to keep the subsequent usage block(s) within reason, especially for a middle to low income family.

Proposed Water Rates

Residential and Commercial Water Rates

Volume	Rate per 1,000 Gallons
First 2,000 Gallons (minimum bill)	\$9.75
All Over 2,000 Gallons	\$3.10

Wholesale Water Rates

Volume	Rate per 1,000 Gallons
All Gallons	\$2.18

Financial Sufficiency

The adequacy of projected revenue, especially that contributed by wholesale customers, is highly dependent upon the consistency of the demand to be met by Lawrenceburg. SAWD currently purchases between 325,000 and 360,000 gallons of water per day. That is a significant volume of the total gallons sold, as much as 25 percent. The revenue estimated to responsibly operate and maintain the Lawrenceburg water system was calculated based on the city administration's directive to assume no net reduction in demand as a result of the new transmission line from Frankfort to SAWD.

The water operating revenue with increased rates is estimated using test period spreadsheets. The spreadsheets are included in Appendix M.

Conclusion

We estimate a sewer rate increase sufficient to generate 28 percent more annual income will result in a more responsible and effective operation and management of the Lawrenceburg sewer system. City leaders are encouraged to formalize and ordain the increase as soon as possible.

Additionally, if the demand for treated water remains at or above the current volume, and if 30 to 60 new customers are added each year, a 58 percent increase in revenue should be

adequate to operate and meet the debt requirements of the proposed Rural Development loan for upcoming capital construction. Tying water and sewer rates to an index such as the Consumer Price Index is highly recommended. The indexing will allow for increases in the cost of labor, services and materials. Additionally, increases in rates from indexing will add years to the sufficiency of the proposed rate increase.

Finally, this report is a study of the adequacy of current water and sewer rates with respect to operation and maintenance and existing and anticipated debt service requirements. It is not a Cost of Service study. A Cost of Service study is much more involved, placing costs on lines serving wholesale customers and idle plant costs. If required by the wholesale customers via the Public Service Commission, a Cost of Service study may result in different direct and wholesale rates. For this and other reasons, it is suggested that Lawrenceburg adopt and implement an accounting program based on the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts.

Appendix A
Current Water and Sewer Rates

**City of Lawrenceburg, Kentucky
Current Water and Sewer Rate Schedules**

Water – Residential and Commercial

Within City Limits		Outside City Limits	
Gallon Increment	Cost per 1,000 Gallons	Gallon Increments	Cost per 1,000 Gallons
First 2,000	\$7.80 (min.)	First 2,000	\$8.89 (min.)
Next 8,000	\$2.20	Next 8,000	\$2.20
Next 20,000	\$1.90	Next 20,000	\$1.90
Next 30,000	\$1.65	Next 30,000	\$1.65
Next 40,000	\$1.42	Next 40,000	\$1.42
Next 100,000	\$1.36	Next 100,000	\$1.36
Next 300,000	\$1.31	Next 300,000	\$1.31
Next 500,000	\$1.25	Next 500,000	\$1.25

Water – Wholesale Customers

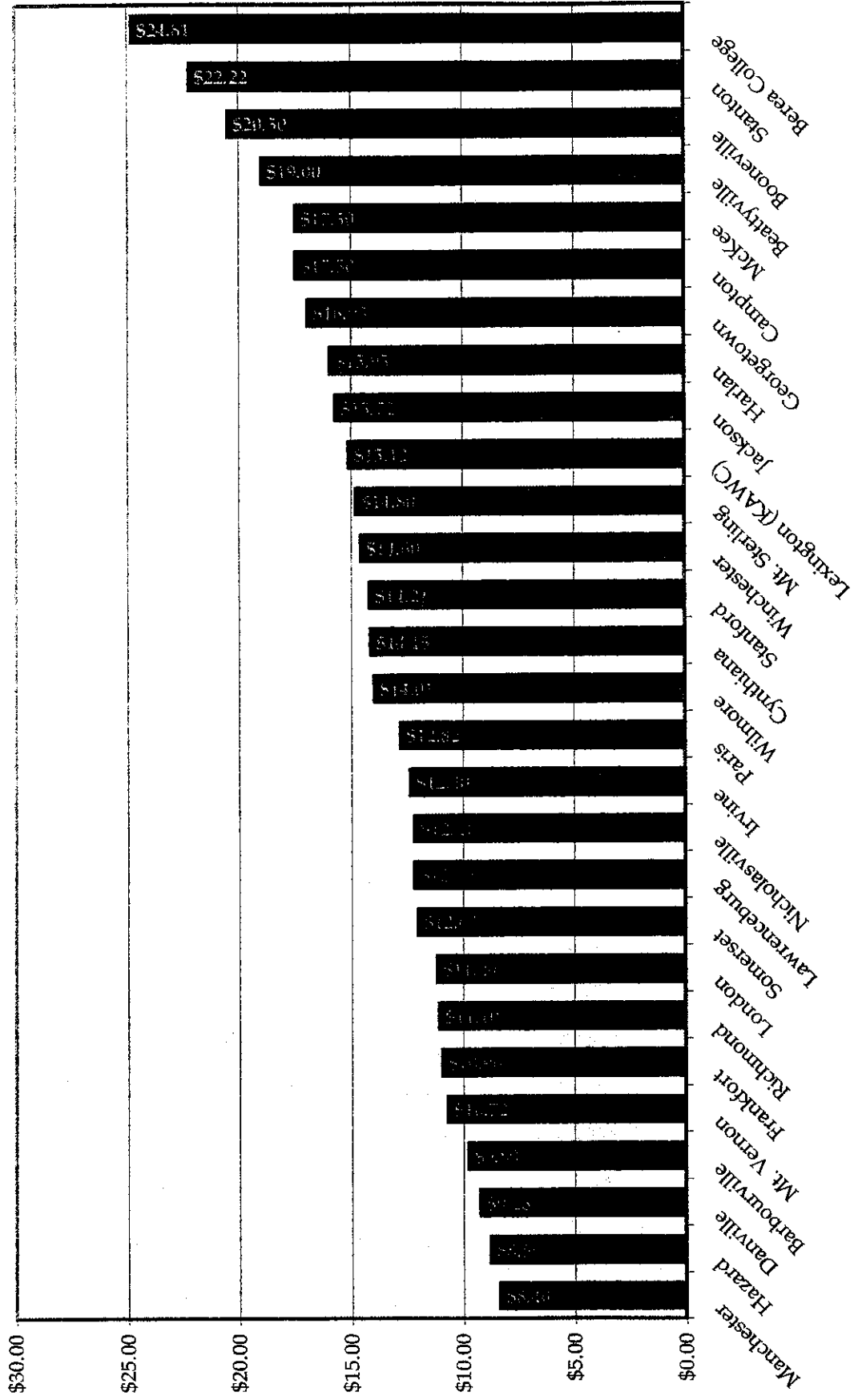
Alton Water District		South Anderson Water District	
Gallon Increment	Cost per 1,000 Gallons	Gallon Increments	Cost per 1,000 Gallons
Wholesale Rate	\$1.17	Wholesale Rate	\$1.17

Sewer – All Customers

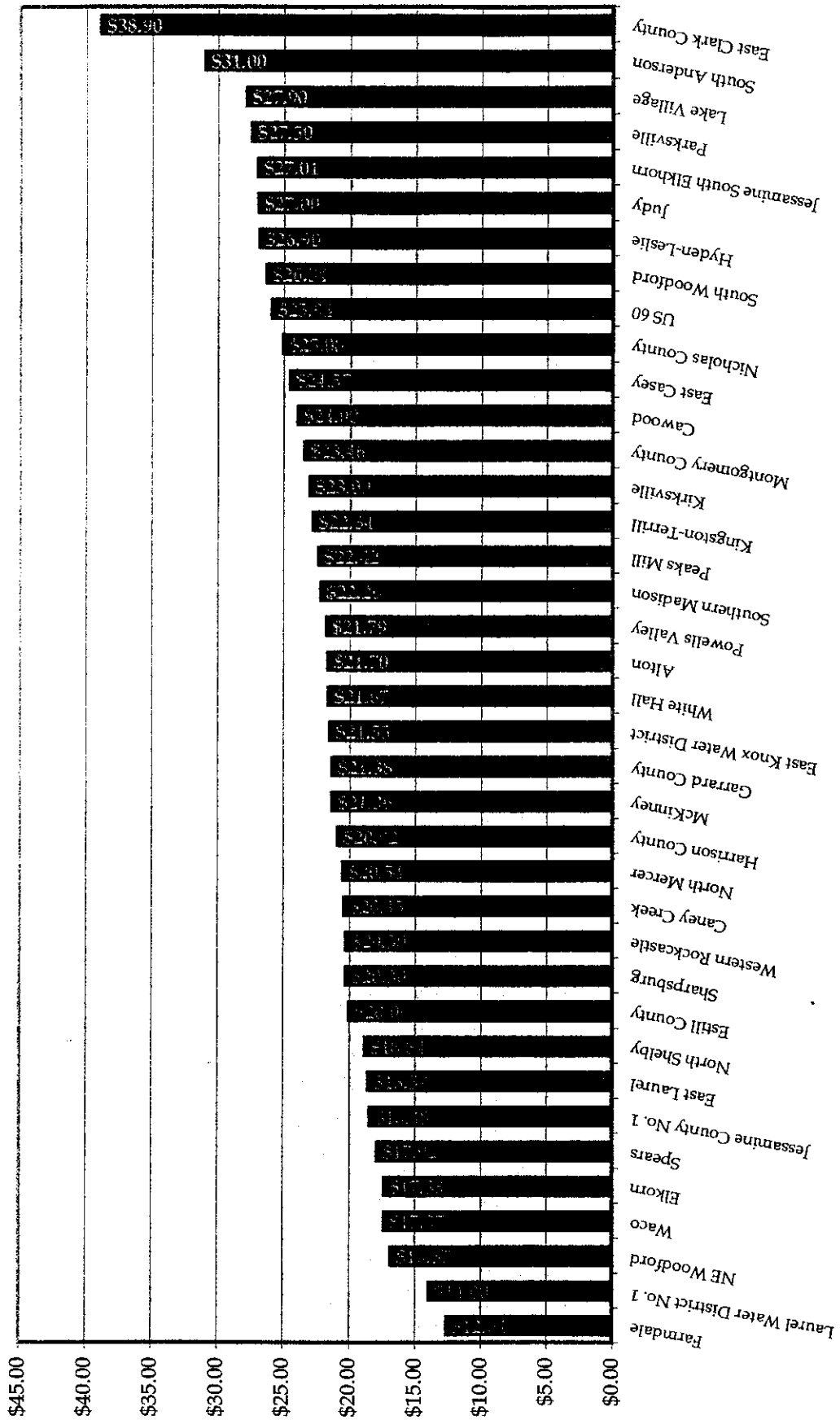
Residential Customers		Commercial Customers	
Gallon Increment	Cost per 1,000 Gallons	Gallon Increments	Cost per 1,000 Gallons
First 2,000	\$7.80 (min.)	First 2,000	\$7.80 (min.)
Next 8,000	\$3.10	Next 8,000	\$3.10
Next 20,000	\$2.70	Next 20,000	\$2.70
Next 30,000	\$2.40	Next 30,000	\$2.40
All Over 60,000	\$2.40	Next 40,000	\$1.95
		Next 100,000	\$1.85
		Next 300,000	\$1.75
		Next 500,000	\$1.67

Appendix B
Rate Comparisons within BGADD

Municipal Water Customer Bill for 4000 Gallons
Rates as of November 1999



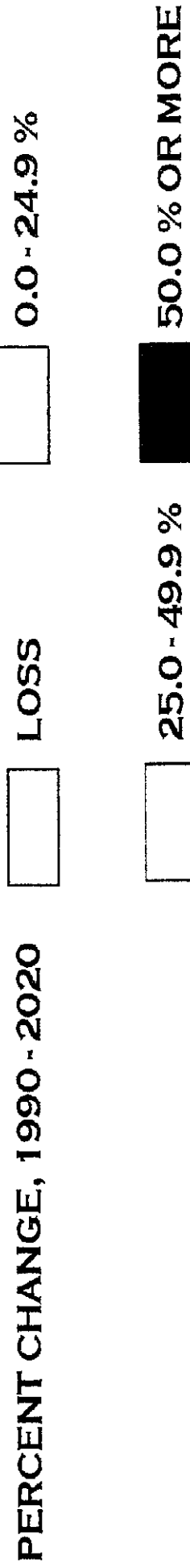
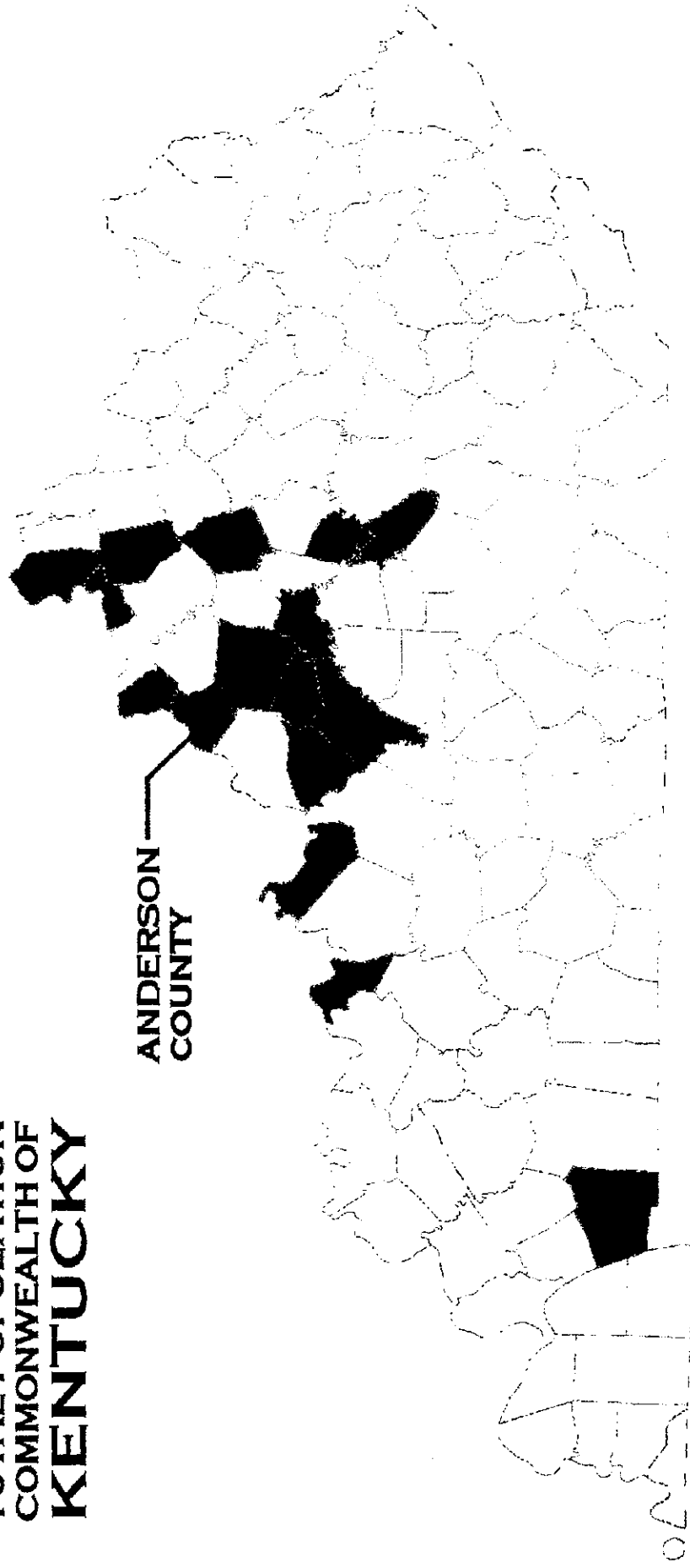
Water District/Association Customer Bill for 4000 Gallons Rates as of November 1999



Appendix C

Population Trends

TOTAL POPULATION COMMONWEALTH OF KENTUCKY



KENTUCKY STATE DATA CENTER
HOW MANY KENTUCKIANS, 1999 EDITION

Appendix D

Existing Debt Service

Water and Sewer System Existing Debt Service Expenses

Principal Payments

Bond/Lease Issue	FY01	FY02	FY03	FY04	FY05
Farmers Bank, (building and cruisers) Water Share	\$2,211	\$2,211	\$2,211	\$2,211	\$2,211
Series 1991 Water and Sewer Refunding	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000
Farmers Bank, (building and cruisers) Sewer Share	\$2,211	\$2,211	\$2,211	\$2,211	\$2,211
City of Mayfield - Series 1996 - NW Interceptor	\$15,000	\$15,000	\$15,000	\$15,000	\$20,000
1974 KPAA Grant Repayment	\$5,305	\$5,586	\$5,896	\$0	\$0
Industrial Park Loan Repayment	\$4,230	\$4,453	\$4,687	\$4,934	\$5,194
Total Annual Principal Payment, Water & Sewer	\$103,957	\$109,461	\$115,005	\$114,356	\$124,616

Interest Payments

Bond Issue	FY01	FY02	FY03	FY04	FY05
Farmers Bank, (building and cruisers) Water Share	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027
Series 1991 Water and Sewer Refunding	\$51,536	\$47,001	\$42,091	\$36,796	\$31,106
Farmers Bank, (building and cruisers) Sewer Share	\$1,027	\$1,027	\$1,027	\$1,027	\$1,027
City of Mayfield - Series 1996 - NW Interceptor	\$16,562	\$15,974	\$15,433	\$14,891	\$14,349
1974 KPAA Grant Repayment	\$874	\$603	\$312	\$0	\$0
Industrial Park Loan Repayment	\$2,747	\$2,524	\$2,290	\$2,043	\$1,783
Total Annual Interest Payment, Water & Sewer	\$73,772	\$68,155	\$62,179	\$55,783	\$49,291

Appendix E
Estimated Future Debt Service

Estimated Debt Service from Water Treatment Plant Construction Project

Source/Type	Amount	Interest	Loan Service	Term (yr)
Private Bond Sale	\$ -	5.125%	0.20%	30
Rural Development Loan	\$ 8,800,000	5.250%	0.00%	38
Total Funds	\$ 8,800,000			

	Bond Sale	RD ¹
Estimated Annual Principal Payment	\$ -	\$ 77,136
Estimated Annual Interest Payment	\$ -	\$ 462,000
Estimated Annual O&M Reserve Payment	\$ -	\$ 53,914
Estimated Loan (Agent) Service Fee	\$ -	\$ -

Estimated Total Annual Debt Service, proposed project \$ 593,050

The proposed debt service is based on the term and interest rate estimated above. If, after funding commitments are made, the term or the interest rate is significantly different, or, the cost of construction changes significantly, adjustments to the water rates may be necessary to ensure adequate coverage.

¹The debt service estimated above is based on estimates from Rural Development of the interest rate for which Lawrenceburg is eligible.

Estimated Debt Service from Southwest Interceptor Construction Project

Source/Type	Amount	Interest	Loan Service	Term (yr)
KLC-Jeffersonstown Fund	\$ 3,100,000	5.19%	0.00%	20
Total Funds	\$ 3,100,000			

	Bond Sale
Estimated Annual Principal Payment	\$ 91,905
Estimated Annual Interest Payment	\$ 160,828
Estimated Annual Debt Service Reserve Payment	\$ 25,273
Estimated Loan (Agent) Service Fee	\$ -

Estimated Total Annual Debt Service, proposed project \$ 278,006

The proposed debt service is based on the term and interest rate estimated above. If, after funding commitments are made, the term or the interest rate is significantly different, or, the cost of construction changes significantly, adjustments to the water rates may be necessary to ensure adequate coverage.

Appendix F

Water and Sewer Test Periods

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Current Rates

Water

Monthly Rate Schedule:

County Residential

First 2,000 Gal.	Minimum Bill	\$8.89
Next 8,000 Gal.	Cost Per \$1,000	\$2.20
Next 20,000 Gal.	Cost Per \$1,000	\$1.90
Next 30,000 Gal.	Cost Per \$1,000	\$1.65
Next 40,000 Gal.	Cost Per \$1,000	\$1.42
Next 100,000 Gal.	Cost Per \$1,000	\$1.36
Next 300,000 Gal.	Cost Per \$1,000	\$1.31
Next 500,000 Gal	Cost Per \$1,000	\$1.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	42	\$8.89	63,000	\$373
3,000	89	\$11.09	222,500	\$987
4,000	58	\$13.29	203,000	\$771
5,000	55	\$15.49	247,500	\$852
6,000	45	\$17.69	247,500	\$796
7,000	37	\$19.89	240,500	\$736
8,000	28	\$22.09	210,000	\$619
9,000	20	\$24.29	170,000	\$486
10,000	13	\$26.49	123,500	\$344
11,000	10	\$28.39	105,000	\$284
12,000	7	\$30.29	80,500	\$212
13,000	5	\$32.19	62,500	\$161
14,000	4	\$34.09	54,000	\$136
15,000	2	\$35.99	29,000	\$72
16,000	2	\$37.89	31,000	\$76
17,000	2	\$39.79	33,000	\$80
18,000	2	\$41.69	35,000	\$83
19,000	1	\$43.59	18,500	\$44
20,000	1	\$45.49	19,500	\$45
25,000	3	\$54.99	67,500	\$165
30,000	2	\$64.49	55,000	\$129
35,000	1	\$72.74	32,500	\$73
50,000	1	\$97.49	42,500	\$97
60,000	1	\$113.99	55,000	\$114
75,000	0	\$135.29	0	\$0
100,000	0	\$170.79	0	\$0
150,000	0	\$238.79	0	\$0
200,000	0	\$306.79	0	\$0
500,000	0	\$699.79	0	\$0
750,000	0	\$1,012.29	0	\$0
Total Per Month		431	2,448,000	\$7,735
Total Per Year			29,376,000	\$92,820

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Current Rates

Water

Monthly Rate Schedule:		<u>County Commercial</u>
First 2,000 Gal.	Minimum Bill	\$8.89
Next 8,000 Gal.	Cost Per \$1,000	\$2.20
Next 20,000 Gal.	Cost Per \$1,000	\$1.90
Next 30,000 Gal.	Cost Per \$1,000	\$1.65
Next 40,000 Gal.	Cost Per \$1,000	\$1.42
Next 100,000 Gal.	Cost Per \$1,000	\$1.36
Next 300,000 Gal.	Cost Per \$1,000	\$1.31
Next 500,000 Gal	Cost Per \$1,000	\$1.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	9	\$8.89	13,500	\$80
3,000	3	\$11.09	7,500	\$33
4,000	2	\$13.29	7,000	\$27
5,000	2	\$15.49	9,000	\$31
6,000	3	\$17.69	16,500	\$53
7,000	1	\$19.89	6,500	\$20
8,000	1	\$22.09	7,500	\$22
9,000	1	\$24.29	8,500	\$24
10,000	1	\$26.49	9,500	\$26
11,000	1	\$28.39	10,500	\$28
12,000	0	\$30.29	0	\$0
13,000	0	\$32.19	0	\$0
14,000	0	\$34.09	0	\$0
15,000	1	\$35.99	14,500	\$36
16,000	0	\$37.89	0	\$0
17,000	0	\$39.79	0	\$0
18,000	0	\$41.69	0	\$0
19,000	0	\$43.59	0	\$0
20,000	1	\$45.49	19,500	\$45
25,000	1	\$54.99	22,500	\$55
30,000	0	\$64.49	0	\$0
35,000	1	\$72.74	32,500	\$73
50,000	1	\$97.49	42,500	\$97
60,000	0	\$113.99	0	\$0
75,000	0	\$135.29	0	\$0
100,000	0	\$170.79	0	\$0
150,000	0	\$238.79	0	\$0
200,000	0	\$306.79	0	\$0
500,000	0	\$699.79	0	\$0
750,000	0	\$1,012.29	0	\$0
Total Per Month	29		227,500	\$652
Total Per Year			2,730,000	\$7,821

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Current Rates

Water

Monthly Rate Schedule:		<u>City Residential</u>
First 2,000 Gal.	Minimum Bill	\$7.80
Next 8,000 Gal.	Cost Per \$1,000	\$2.20
Next 20,000 Gal.	Cost Per \$1,000	\$1.90
Next 30,000 Gal.	Cost Per \$1,000	\$1.65
Next 40,000 Gal.	Cost Per \$1,000	\$1.42
Next 100,000 Gal.	Cost Per \$1,000	\$1.36
Next 300,000 Gal.	Cost Per \$1,000	\$1.31
Next 500,000 Gal.	Cost Per \$1,000	\$1.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	634	\$7.80	951,000	\$4,945
3,000	520	\$10.00	1,300,000	\$5,200
4,000	547	\$12.20	1,914,500	\$6,673
5,000	491	\$14.40	2,209,500	\$7,070
6,000	384	\$16.60	2,112,000	\$6,374
7,000	263	\$18.80	1,709,500	\$4,944
8,000	175	\$21.00	1,312,500	\$3,675
9,000	103	\$23.20	875,500	\$2,390
10,000	68	\$25.40	646,000	\$1,727
11,000	45	\$27.30	472,500	\$1,229
12,000	25	\$29.20	287,500	\$730
13,000	16	\$31.10	200,000	\$498
14,000	12	\$33.00	162,000	\$396
15,000	8	\$34.90	116,000	\$279
16,000	5	\$36.80	77,500	\$184
17,000	3	\$38.70	49,500	\$116
18,000	4	\$40.60	70,000	\$162
19,000	3	\$42.50	55,500	\$128
20,000	2	\$44.40	39,000	\$89
25,000	6	\$53.90	135,000	\$323
30,000	3	\$63.40	82,500	\$190
35,000	1	\$71.65	32,500	\$72
50,000	1	\$96.40	42,500	\$96
60,000	1	\$112.90	55,000	\$113
75,000	0	\$134.20	0	\$0
100,000	0	\$169.70	0	\$0
150,000	0	\$237.70	0	\$0
200,000	0	\$305.70	0	\$0
500,000	0	\$698.70	0	\$0
750,000	0	\$1,011.20	0	\$0

Total Per Month	3,320		14,907,500	\$47,604
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Total Per Year			178,890,000	\$571,251
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City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Current Rates

Water

Monthly Rate Schedule:		<u>City Commercial</u>
First 2,000 Gal.	Minimum Bill	\$7.80
Next 8,000 Gal.	Cost Per \$1,000	\$2.20
Next 20,000 Gal.	Cost Per \$1,000	\$1.90
Next 30,000 Gal.	Cost Per \$1,000	\$1.65
Next 40,000 Gal.	Cost Per \$1,000	\$1.42
Next 100,000 Gal.	Cost Per \$1,000	\$1.36
Next 300,000 Gal.	Cost Per \$1,000	\$1.31
Next 500,000 Gal.	Cost Per \$1,000	\$1.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	153	\$7.80	229,500	\$1,193
3,000	32	\$10.00	80,000	\$320
4,000	31	\$12.20	108,500	\$378
5,000	27	\$14.40	121,500	\$389
6,000	18	\$16.60	99,000	\$299
7,000	11	\$18.80	71,500	\$207
8,000	6	\$21.00	45,000	\$126
9,000	7	\$23.20	59,500	\$162
10,000	4	\$25.40	38,000	\$102
11,000	4	\$27.30	42,000	\$109
12,000	3	\$29.20	34,500	\$88
13,000	2	\$31.10	25,000	\$62
14,000	2	\$33.00	27,000	\$66
15,000	1	\$34.90	14,500	\$35
16,000	1	\$36.80	15,500	\$37
17,000	1	\$38.70	16,500	\$39
18,000	1	\$40.60	17,500	\$41
19,000	1	\$42.50	18,500	\$43
20,000	1	\$44.40	19,500	\$44
25,000	3	\$53.90	67,500	\$162
30,000	4	\$63.40	110,000	\$254
35,000	2	\$71.65	65,000	\$143
50,000	6	\$96.40	255,000	\$578
60,000	1	\$112.90	55,000	\$113
75,000	2	\$134.20	135,000	\$268
100,000	5	\$169.70	437,500	\$849
150,000	2	\$237.70	250,000	\$475
200,000	3	\$305.70	525,000	\$917
500,000	0	\$698.70	0	\$0
750,000	0	\$1,011.20	0	\$0
Total Per Month	334		2,983,000	\$7,498
Total Per Year			35,796,000	\$89,978

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Current Rates

Water

Monthly Rate Schedule:		<u>County Large Meters</u>
First 2,000 Gal.	Minimum Bill	\$8.89
Next 8,000 Gal.	Cost Per \$1,000	\$2.20
Next 20,000 Gal.	Cost Per \$1,000	\$1.90
Next 30,000 Gal.	Cost Per \$1,000	\$1.65
Next 40,000 Gal.	Cost Per \$1,000	\$1.42
Next 100,000 Gal.	Cost Per \$1,000	\$1.36
Next 300,000 Gal.	Cost Per \$1,000	\$1.31
Next 500,000 Gal	Cost Per \$1,000	\$1.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	9	\$8.89	13,500	\$80
3,000	2	\$11.09	5,000	\$22
4,000	2	\$13.29	7,000	\$27
5,000	2	\$15.49	9,000	\$31
6,000	2	\$17.69	11,000	\$35
7,000	1	\$19.89	6,500	\$20
8,000	1	\$22.09	7,500	\$22
9,000	1	\$24.29	8,500	\$24
10,000	1	\$26.49	9,500	\$26
11,000	1	\$28.39	10,500	\$28
12,000	0	\$30.29	0	\$0
13,000	0	\$32.19	0	\$0
14,000	0	\$34.09	0	\$0
15,000	0	\$35.99	0	\$0
16,000	0	\$37.89	0	\$0
17,000	0	\$39.79	0	\$0
18,000	0	\$41.69	0	\$0
19,000	0	\$43.59	0	\$0
20,000	0	\$45.49	0	\$0
25,000	0	\$54.99	0	\$0
30,000	0	\$64.49	0	\$0
35,000	1	\$72.74	32,500	\$73
50,000	1	\$97.49	42,500	\$97
60,000	0	\$113.99	0	\$0
75,000	0	\$135.29	0	\$0
100,000	0	\$170.79	0	\$0
150,000	0	\$238.79	0	\$0
200,000	0	\$306.79	0	\$0
500,000	1	\$699.79	350,000	\$700
1,000,000	0	\$74.79	0	\$0
above	1	\$4,096.04	3,217,000	\$4,096
Total Per Month	26		3,730,000	\$5,282
Total Per Year			44,760,000	\$63,388

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Current Rates

Water

Monthly Rate Schedule:		<u>City Large Meters</u>
First 2,000 Gal.	Minimum Bill	\$7.80
Next 8,000 Gal.	Cost Per \$1,000	\$2.20
Next 20,000 Gal.	Cost Per \$1,000	\$1.90
Next 30,000 Gal.	Cost Per \$1,000	\$1.65
Next 40,000 Gal.	Cost Per \$1,000	\$1.42
Next 100,000 Gal.	Cost Per \$1,000	\$1.36
Next 300,000 Gal.	Cost Per \$1,000	\$1.31
Next 500,000 Gal.	Cost Per \$1,000	\$1.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	1	\$7.80	1,500	\$8
3,000	0	\$10.00	0	\$0
4,000	0	\$12.20	0	\$0
5,000	0	\$14.40	0	\$0
6,000	0	\$16.60	0	\$0
7,000	0	\$18.80	0	\$0
8,000	0	\$21.00	0	\$0
9,000	0	\$23.20	0	\$0
10,000	0	\$25.40	0	\$0
11,000	0	\$27.30	0	\$0
12,000	0	\$29.20	0	\$0
13,000	0	\$31.10	0	\$0
14,000	0	\$33.00	0	\$0
15,000	0	\$34.90	0	\$0
16,000	0	\$36.80	0	\$0
17,000	0	\$38.70	0	\$0
18,000	0	\$40.60	0	\$0
19,000	0	\$42.50	0	\$0
20,000	0	\$44.40	0	\$0
25,000	0	\$53.90	0	\$0
30,000	0	\$63.40	0	\$0
35,000	0	\$71.65	0	\$0
50,000	1	\$96.40	42,500	\$96
60,000	1	\$112.90	55,000	\$113
75,000	0	\$134.20	0	\$0
100,000	1	\$169.70	87,500	\$170
150,000	1	\$237.70	125,000	\$238
200,000	0	\$305.70	0	\$0
500,000	0	\$698.70	0	\$0
750,000	1	\$1,011.20	3,240,000	\$1,011
Total Per Month		6	3,551,500	\$1,636
Total Per Year			42,618,000	\$19,628

		Water Usage in Hundreds of Gallons													
Yr	Master Meter	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
96	Alton Water District - 1143 Station Rd		40257	55590	40646	33616	15488	16555	32816	26289	24873	41054	42471	96 Ave	33605
97	Alton Water District - 1143 Station Rd	45404	39160	56821	46761	35429	43072	49857	36340	41953	31665	46803	35056	97 Ave	42360
98	Alton Water District - 1143 Station Rd	43833	41161	36303	24216	37850	30422	30750	34725	34359	34013	40107	34813	98 Ave	35213
99	Alton Water District - 1143 Station Rd	48903	64597	41100	41754	34270	31834	33512	40966	34829	38199	35580	38045	99 Ave	40299
00	Alton Water District - 1143 Station Rd	31762	35401	37648	32667									FY99 AV	39269
96	Alton Water District - 1380 Alton Sta Rd		35828	34423	28591	32747	40210	35112	36023	42004	29982	29226	9686	96 Ave	32167
97	Alton Water District - 1380 Alton Sta Rd	31027	33909	29478	29127	34796	38628	35132	45604	40858	35677	38104	31379	97 Ave	35310
98	Alton Water District - 1380 Alton Sta Rd	32976	35124	29154	33153	33260	38096	30172	34566	42119	32324	35563		98 Ave	34228
98	Alton Water District - 1380 Alton Sta Rd	13030	5580	4510	6940	10100	29960	15730	12800	15330	14200	19090	48750	98 Ave	16335
99	Alton Water District - 1380 Alton Sta Rd	44580	46220	38210	42340	45960	56930	48000	63240	54420	59380	46750	53020	99 Ave	49921
00	Alton Water District - 1380 Alton Sta Rd	55690	52010	46830	46310									FY99 AV	47907
96	South Anderson Water - Highway 44		12224	12427	10189	11405	14094	5361	5128	5801	3902	4640	4033	96 Ave	8109
97	South Anderson Water - Highway 44	4159	4612	4456	3914	4701	5485	5815	7370	6452	4950	5621	4678	97 Ave	5184
98	South Anderson Water - Highway 44	5209	5573	4783	4834	4809	6972	5514	6251	8878	8482	9447	7414	98 Ave	6514
99	South Anderson Water - Highway 44	5438	5956	4823	4750	5366	13925	15800	20870	17982	17903	14726	16719	99 Ave	12022
00	South Anderson Water - Highway 44	17034	18494	13996	8922									FY99 AV	7187
96	South Anderson Water - Jenny Lillard		12360	9530	10200	9900	10870	8250	11260	12180	9280	10990	9990	96 Ave	10437
97	South Anderson Water - Jenny Lillard	11290	11630	10800	9180	10320	12000	12100	18240	10740	10950	11920	10640	97 Ave	11651
98	South Anderson Water - Jenny Lillard	10500	12010	11240	9960	9490	16390	12120	11540	15070	12940	11630	9900	98 Ave	11899
99	South Anderson Water - Jenny Lillard	10480	11870	9700	9970	11200	14220	12110	18200	14460	15470	11000	12720	99 Ave	12617
00	South Anderson Water - Jenny Lillard	12340	13570	12090	7420									FY99 AV	11720
96	South Anderson Water - US 127		22640	20550	15610	18270	22780	21130	21160	24570	19040	22530	19120	96 Ave	20673
97	South Anderson Water - US 127	20630	19780	20600	19130	19040	21820	20970	28600	24310	18450	21300	18450	97 Ave	21090
98	South Anderson Water - US 127	19420	20840	16450	18020	19170	25680	20130	23620	27560	25760	22850	18510	98 Ave	21501
99	South Anderson Water - US 127	21650	23180	18390	19670	22790	28870	24390	31460	26300	27170	23270	25050	99 Ave	24349
00	South Anderson Water - US 127	26980	23600	21450	16150									FY99 AV	22748
96	South Anderson Water - Highway 62		40120	40830	31030	34530	44470	53020	48710	56430	41260	45500	40690	96 Ave	43326
97	South Anderson Water - Highway 62	38510	41830	43080	41860	43070	50630	48320	71100	62390	49850	53720	44100	97 Ave	49038
98	South Anderson Water - Highway 62	47150	50990	40460	42790	43930	58210	46230	50430	64000	56900	54940	45880	98 Ave	50159
99	South Anderson Water - Highway 62	47770	53870	42960	67880	32670	61180	49470	64540	54280	58680	46310	51990	99 Ave	52633
00	South Anderson Water - Highway 62	53870	55720	40710	54150									FY99 AV	52059

FY1999 Average Monthly Wholesale Usage (gallons)

18,089,025

FY1999 Average Annual Wholesale Usage (gallons)

217,068,300

FY1999 Average Annual Revenue from Wholesale Customers

\$253,970

**City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000**

Notes to Test Periods

Identification of Large Volume Customers

County Large Users:	Ave Gal. Per Month		Calculated Revenue
Austin-Nichols	3,217,000		
Florida Tile	648,700		
City Large Users:	Ave Gal. Per Month		Calculated Revenue
Universal Fasteners	3,240,000		
Kentucky Overall			
Board of Education - High School	82,600		
Board of Education - Middle School	123,700		
Emma Ward School	66,600		
Board of Education - Elementary School	58,600		

Wholesale Water Annual Revenue	Fiscal Year 1999	\$253,970
County Residential Annual Revenue		\$92,820
County Commercial Annual Revenue		\$7,821
City Residential Annual Revenue		\$571,251
City Commercial Annual Revenue		\$89,978
County Larger Meters Annual Revenue		\$63,388
City Larger Meters Annual Revenue		\$19,628
Total Annual Revenue from Water Sales		\$1,098,857
Annual Revenue as Audited		\$1,080,420
Percent Above or (Below) Audit		1.7%

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Test Period with Current Sewer Rates

Monthly Rate Schedule:			<u>City Residential</u>	
First 2,000 Gal.	Minimum Bill			\$7.80
Next 8,000 Gal.	Cost Per \$1,000			\$3.10
Next 20,000 Gal.	Cost Per \$1,000			\$2.70
Next 30,000 Gal.	Cost Per \$1,000			\$2.40
Next 40,000 Gal.	Cost Per \$1,000			\$2.40
Next 100,000 Gal.	Cost Per \$1,000			\$2.40
Next 300,000 Gal.	Cost Per \$1,000			\$2.40
Next 500,000 Gal.	Cost Per \$1,000			\$2.40

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	634	\$7.80	951,000	\$4,945
3,000	520	\$10.90	1,300,000	\$5,668
4,000	547	\$14.00	1,914,500	\$7,658
5,000	491	\$17.10	2,209,500	\$8,396
6,000	384	\$20.20	2,112,000	\$7,757
7,000	263	\$23.30	1,709,500	\$6,128
8,000	175	\$26.40	1,312,500	\$4,620
9,000	103	\$29.50	875,500	\$3,039
10,000	68	\$32.60	646,000	\$2,217
11,000	45	\$35.30	472,500	\$1,589
12,000	25	\$38.00	287,500	\$950
13,000	16	\$40.70	200,000	\$651
14,000	12	\$43.40	162,000	\$521
15,000	8	\$46.10	116,000	\$369
16,000	5	\$48.80	77,500	\$244
17,000	3	\$51.50	49,500	\$155
18,000	4	\$54.20	70,000	\$217
19,000	3	\$56.90	55,500	\$171
20,000	2	\$59.60	39,000	\$119
25,000	6	\$73.10	135,000	\$439
30,000	3	\$86.60	82,500	\$260
35,000	1	\$98.60	32,500	\$99
50,000	1	\$134.60	42,500	\$135
60,000	1	\$158.60	55,000	\$159
75,000	0	\$194.60	0	\$0
100,000	0	\$254.60	0	\$0
150,000	0	\$374.60	0	\$0
200,000	0	\$494.60	0	\$0
500,000	0	\$1,214.60	0	\$0
750,000	0	\$1,814.60	0	\$0
Total Per Month		3,320	14,907,500	\$56,502
Total Per Year			178,890,000	\$678,024

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Test Period with Current Sewer Rates

Monthly Rate Schedule:		<u>City Commercial</u>
First 2,000 Gal.	Minimum Bill	\$7.80
Next 8,000 Gal.	Cost Per \$1,000	\$3.10
Next 20,000 Gal.	Cost Per \$1,000	\$2.70
Next 30,000 Gal.	Cost Per \$1,000	\$2.40
Next 40,000 Gal.	Cost Per \$1,000	\$1.95
Next 100,000 Gal.	Cost Per \$1,000	\$1.85
Next 300,000 Gal.	Cost Per \$1,000	\$1.75
Next 500,000 Gal.	Cost Per \$1,000	\$1.67

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	153	\$7.80	229,500	\$1,193
3,000	32	\$10.90	80,000	\$349
4,000	31	\$14.00	108,500	\$434
5,000	27	\$17.10	121,500	\$462
6,000	18	\$20.20	99,000	\$364
7,000	11	\$23.30	71,500	\$256
8,000	6	\$26.40	45,000	\$158
9,000	7	\$29.50	59,500	\$207
10,000	4	\$32.60	38,000	\$130
11,000	4	\$35.30	42,000	\$141
12,000	3	\$38.00	34,500	\$114
13,000	2	\$40.70	25,000	\$81
14,000	2	\$43.40	27,000	\$87
15,000	1	\$46.10	14,500	\$46
16,000	1	\$48.80	15,500	\$49
17,000	1	\$51.50	16,500	\$52
18,000	1	\$54.20	17,500	\$54
19,000	1	\$56.90	18,500	\$57
20,000	1	\$59.60	19,500	\$60
25,000	3	\$73.10	67,500	\$219
30,000	4	\$86.60	110,000	\$346
35,000	2	\$98.60	65,000	\$197
50,000	6	\$134.60	255,000	\$808
60,000	1	\$158.60	55,000	\$159
75,000	2	\$187.85	125,000	\$376
100,000	5	\$236.60	437,500	\$1,183
150,000	2	\$329.10	250,000	\$658
200,000	3	\$421.60	525,000	\$1,265
500,000	0	\$946.60	0	\$0
750,000	0	\$1,364.10	0	\$0
Total Per Month	334		2,973,000	\$9,504
Total Per Year			35,676,000	\$114,053

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Test Period with Current Sewer Rates

Monthly Rate Schedule:		<u>City Large Meters</u>
First 2,000 Gal.	Minimum Bill	\$7.80
Next 8,000 Gal.	Cost Per \$1,000	\$3.10
Next 20,000 Gal.	Cost Per \$1,000	\$2.70
Next 30,000 Gal.	Cost Per \$1,000	\$2.40
Next 40,000 Gal.	Cost Per \$1,000	\$2.40
Next 100,000 Gal.	Cost Per \$1,000	\$2.40
Next 300,000 Gal.	Cost Per \$1,000	\$2.40
Next 500,000 Gal.	Cost Per \$1,000	\$2.40

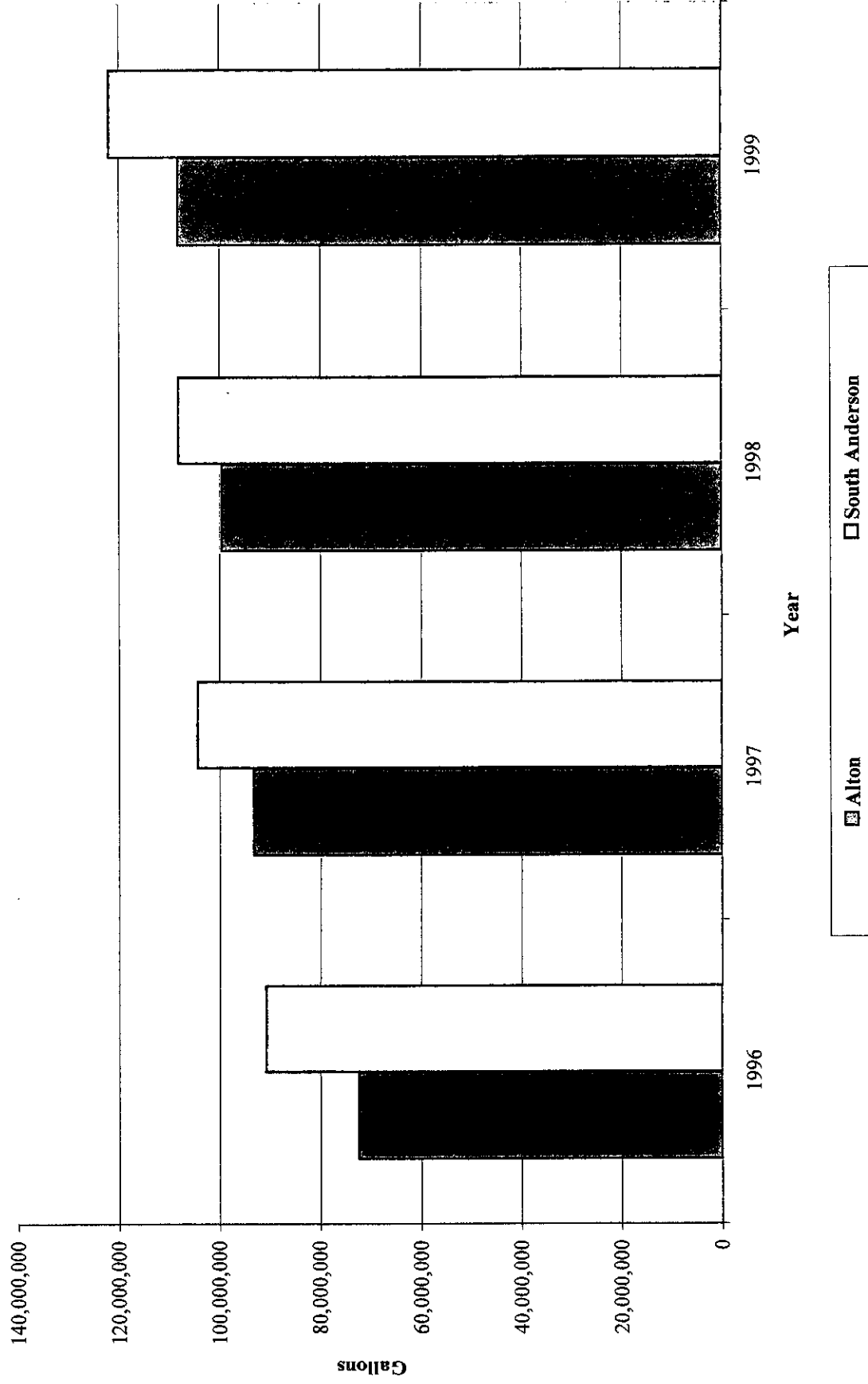
Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	1	\$7.80	1,500	\$8
3,000	0	\$10.90	0	\$0
4,000	0	\$14.00	0	\$0
5,000	0	\$17.10	0	\$0
6,000	0	\$20.20	0	\$0
7,000	0	\$23.30	0	\$0
8,000	0	\$26.40	0	\$0
9,000	0	\$29.50	0	\$0
10,000	0	\$32.60	0	\$0
11,000	0	\$35.30	0	\$0
12,000	0	\$38.00	0	\$0
13,000	0	\$40.70	0	\$0
14,000	0	\$43.40	0	\$0
15,000	0	\$46.10	0	\$0
16,000	0	\$48.80	0	\$0
17,000	0	\$51.50	0	\$0
18,000	0	\$54.20	0	\$0
19,000	0	\$56.90	0	\$0
20,000	0	\$59.60	0	\$0
25,000	0	\$73.10	0	\$0
30,000	0	\$86.60	0	\$0
35,000	0	\$98.60	0	\$0
50,000	1	\$134.60	42,500	\$135
60,000	1	\$158.60	55,000	\$159
75,000	0	\$194.60	0	\$0
100,000	1	\$254.60	87,500	\$255
150,000	1	\$374.60	125,000	\$375
200,000	0	\$494.60	0	\$0
500,000	0	\$1,214.60	0	\$0
750,000	1	\$1,814.60	3,240,000	\$1,815
Total Per Month	6		3,551,500	\$2,745
Total Per Year			42,618,000	\$32,938

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Sewer Revenue Summary

Universal Fasteners (sewer credit)		
	January	\$5,942.34
	February	\$5,942.34
Actual 1999 Billings	March	\$5,942.34
	April	\$6,696.38
	May	\$5,842.77
	June	\$6,765.51
	July	\$5,909.79
	August	\$7,693.90
	September	\$6,637.26
	October	\$7,509.18
	November	\$8,757.85
	December	\$7,322.60
	Average	\$6,747
Sewer District - Wholesale		
	January	
	February	40120
1999 Water Usage in Hundred Gallons	March	40830
	April	31030
	May	34530
	June	44470
	July	53020
	August	48710
	September	56430
	October	41260
	November	45500
	December	40690
	Average	43326
	Average Revenue	\$5,849
Universal Fasteners and Wholesale Annual		
Sewer Revenue		\$12,596
Residential Annual Sewer Revenue		\$678,024
Commercial Annual Sewer Revenue		\$114,053
Large Meters Annual Sewer Revenue		\$32,938
Total Annual Revenue from Sewer Charges		\$837,610
Total Annual Revenue as Audited		\$831,879
Percent Above or (Below) Audit		0.7%

Appendix G
Annual Wholesale Water Sales 1996 – 1999

Wholesale Water Sales from January 1996 through December 1999 (calendar years)



Appendix H

Operation and Maintenance Costs

Operation & Maintenance (O&M) Expenses -- Water

Item Description	FY98	FY99 (ledger)	FY00	Projected Years ¹				
				1 (FY01)	2 (FY02)	3 (FY03)	4 (FY04)	5 (FY05)
O&M - Facilities Operation Expenses								
Repair and Maintenance	\$37,762	\$14,010	\$58,136	\$50,000	\$51,000	\$52,020	\$20,000	\$20,400
Materials	\$64,753	\$96,720	\$229,231	\$120,000	\$122,400	\$124,848	\$127,345	\$129,892
Chemicals	\$77,395	\$97,460	\$95	\$110,000	\$112,200	\$114,444	\$116,733	\$119,068
Utilities	\$86,651	\$85,000	\$89,468	\$91,257	\$93,083	\$94,944	\$96,843	\$98,780
Gas and Oil	\$5,092	\$3,960	\$0	\$8,000	\$8,160	\$8,323	\$8,490	\$8,659
Miscellaneous	\$3,070		\$6,995	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412
Total Facilities Operation Expenses	\$274,723	\$297,150	\$383,925	\$384,257	\$391,943	\$399,781	\$374,717	\$382,211
O&M - Administrative and General Expenses								
Salaries and Benefits	\$399,817	\$419,500	\$392,890	\$412,535	\$470,961	\$494,509	\$519,235	\$545,196
Legal, Engineering, and Lab Services	\$77,552	\$39,270	\$37,044	\$38,760	\$39,535	\$50,326	\$51,332	\$52,359
Property and Liability Insurance	\$31,332	\$24,690	\$26,077	\$26,599	\$27,131	\$27,673	\$28,227	\$28,791
Interest, Taxes, and KRA Fees Paid	\$6,900	\$3,100	\$4,488	\$7,100	\$7,242	\$7,387	\$7,535	\$7,685
Office Supplies	\$10,094	\$12,460	\$0	\$12,700	\$12,954	\$13,213	\$13,477	\$13,747
Vehicles, Travel, and Miscellaneous	\$6,470	\$15,080	\$5,964	\$15,380	\$15,688	\$16,001	\$16,321	\$16,648
Total Administrative and General Expenses	\$532,165	\$514,100	\$466,463	\$513,073	\$573,511	\$609,110	\$636,127	\$664,427
Other O&M Expenses								
Non-Recurring O&M Expenses		\$15,720	\$73,839	\$65,000	\$56,100	\$57,222	\$58,366	\$59,534
Interdepartmental O&M Expenses	\$6,000	\$19,580	\$6,900	\$7,038	\$7,179	\$7,322	\$7,469	\$7,618
Total Other O&M Expenses	\$6,000	\$35,300	\$80,739	\$72,038	\$63,279	\$64,544	\$65,835	\$67,152
Total Operating & Maintenance Expenses	\$812,888	\$846,550	\$931,127	\$969,368	\$1,028,732	\$1,073,435	\$1,076,679	\$1,113,789

¹Except where otherwise noted, projections for subsequent years assume a two percent increase in costs.

Operation & Maintenance (O&M) Expenses -- Sewer

Item Description	FY98	FY99 (ledger)	FY00	Projected Years				
				1 (FY01)	2 (FY02)	3 (FY03)	4 (FY04)	5 (FY05)
O&M - Facilities Operation Expenses								
Chemicals	\$13,059	\$16,590		\$40,800	\$41,616	\$42,448	\$43,297	\$44,163
Materials	\$0	\$36,550	\$100,000	\$40,800	\$41,616	\$42,448	\$43,297	\$44,163
Supplies	\$26,738	\$50,273		\$20,400	\$20,808	\$21,224	\$21,649	\$22,082
Maintenance & Repair	\$36,651	\$26,850	\$160,428	\$90,000	\$91,800	\$93,636	\$95,509	\$97,419
Gas and Oil	\$5,876	\$5,250		\$9,000	\$9,180	\$9,364	\$9,551	\$9,742
Utilities	\$55,245	\$51,380	\$59,777	\$60,973	\$62,192	\$63,436	\$64,705	\$65,999
Total Facilities Operation Expenses	\$137,569	\$186,893	\$320,205	\$261,973	\$267,212	\$272,556	\$278,007	\$283,568
O&M - Administrative and General Expenses								
Salaries and Benefits	\$333,688	\$319,950	\$416,208	\$427,312	\$438,713	\$450,418	\$462,435	\$474,773
Professional Services	\$79,175	\$58,400	\$43,323	\$50,000	\$51,000	\$52,020	\$53,060	\$54,122
Property and Liability Insurance	\$31,332	\$24,690	\$26,288	\$26,814	\$27,350	\$27,897	\$28,455	\$29,024
Interest	\$2,224	\$600		\$2,800	\$2,856	\$2,913	\$2,971	\$3,031
Travel and Training	\$1,568	\$2,190	\$10,091	\$5,000	\$5,100	\$5,202	\$5,306	\$5,412
Miscellaneous or General Administration	\$15,200	\$22,370	\$3,869	\$10,000	\$10,200	\$10,404	\$10,612	\$10,824
Total Administrative and General Expenses	\$463,187	\$428,200	\$499,779	\$521,926	\$535,219	\$548,854	\$562,840	\$577,186
Other O&M Expenses								
Non-Recurring O&M Expenses		\$28,800	\$73,839	\$65,000	\$75,000	\$85,000	\$95,000	\$105,000
Interdepartmental O&M Expenses	\$6,000	\$8,910	\$7,050	\$7,191	\$7,335	\$7,482	\$7,631	\$7,784
Total Other O&M Expenses	\$6,000	\$37,710	\$80,889	\$72,191	\$82,335	\$92,482	\$102,631	\$112,784
Total Operating & Maintenance Expenses	\$606,756	\$615,093	\$819,984	\$856,090	\$884,766	\$913,892	\$943,479	\$973,537

Appendix I

Reserve Accounts

Payments to Reserve Accounts

Water

FY	Capital Replacement	Capital Expansion (incl. SDCs)	Insurance Reserve	Debt Service Reserve	Cash Reserve Target	Depreciation Reserve (also non-recurring O&M)	Total Payments to Reserves
			city staff explain that deductible is \$1,000 now and elect not to participate at this time				
2001	\$87,165	\$0		\$0	\$40,000	\$65,000	\$127,165
2002	\$87,540	\$5,500		\$0	\$40,000	\$56,100	\$133,040
2003	\$87,914	\$5,500		\$53,914	\$40,000	\$57,222	\$187,328
2004	\$88,289	\$5,500		\$70,092	\$40,000	\$58,366	\$203,881
2005	\$90,054	\$5,500		\$70,092	\$40,000	\$59,534	\$205,646

Sewer

FY	Capital Replacement	Capital Expansion	Insurance Reserve	Debt Service Reserve	Cash Reserve Target	Depreciation Reserve (also non-recurring O&M)	Total Payments to Reserves
			city staff explain that deductible is \$1,000 now and elect not to participate at this time				
2001	\$45,771	\$0		\$0	\$37,200	\$65,000	\$82,971
2002	\$46,686	\$6,500		\$25,273	\$37,200	\$75,000	\$115,660
2003	\$47,620	\$6,500		\$51,671	\$37,200	\$85,000	\$142,991
2004	\$48,572	\$6,500		\$51,671	\$37,200	\$95,000	\$143,943
2005	\$49,544	\$6,500		\$51,671	\$37,200	\$105,000	\$144,915

Appendix J

Flow of Funds

Flow of Funds -- Existing Rates -- Water System

No.	Description	FY00	Projected Years				
			1	2	3	4	5
	<i>Operating Revenue</i>						
1.	Water Service	\$1,080,016	\$1,084,888	\$1,089,568	\$1,094,248	\$1,098,928	\$1,103,608
2.	Other Operating Revenue	\$105,033	\$80,000	\$82,000	\$84,000	\$86,000	\$88,000
3.	<i>Total Operating Revenue</i>	\$1,185,049	\$1,164,888	\$1,171,568	\$1,178,248	\$1,184,928	\$1,191,608
4.	O & M Expenses (excluding depreciation)	\$931,127	\$969,368	\$1,028,732	\$1,073,435	\$1,076,679	\$1,113,789
5.	<i>Net Operating Revenue</i>	\$253,922	\$195,520	\$142,836	\$104,813	\$108,249	\$77,819
	<i>Capital-Related Costs - Debt Service</i>						
6.	Existing Principal and Interest	\$96,788	\$88,808	\$88,592	\$85,070	\$86,954	\$86,954
7.	Proposed Principal and Interest	\$0	\$0	\$0	\$539,136	\$539,136	\$539,136
8.	<i>Total Debt Service</i>	\$96,788	\$88,808	\$88,592	\$624,206	\$626,090	\$626,090
9.	<i>Non-operating Revenue</i>	\$33,523	\$34,193	\$40,377	\$46,684	\$53,118	\$59,680
	<i>Other Capital-Related Costs</i>						
10.	Contributions to Specific Reserves		\$62,165	\$76,940	\$130,106	\$145,514	\$146,113
11.	Capital Expenditures Not Debt-Financed	\$94,596					
12.	<i>Total Other Capital-Related Costs</i>	\$94,596	\$62,165	\$76,940	\$130,106	\$145,514	\$146,113
13.	Net Balance From Operations	\$96,061	\$78,739	\$17,681	(\$602,815)	(\$610,237)	(\$634,704)
14.	Percent Deficiency of Water Service Revenue		-7%	-2%	55%	56%	58%
15.	Cumulative Water Service Revenue		\$1,084,888	\$2,174,456	\$3,268,704	\$4,367,632	\$5,471,240
16.	Cumulative Net Balance		\$174,799	\$192,480	(\$410,334)	(\$1,020,571)	(\$1,655,275)
17.	Cumulative Percent Deficiency		-17%	-9%	13%	24%	31%

Flow of Funds -- Existing Rates -- Sewer System

No.	Description	FY00	Projected Years				
			1	2	3	4	5
	<i>Operating Revenue</i>						
1.	Sewer Service	\$879,872	\$897,469	\$915,419	\$933,727	\$952,402	\$971,450
2.	Other Operating Revenue	\$105,108	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
3.	<i>Total Operating Revenue</i>	\$984,980	\$987,469	\$1,005,419	\$1,023,727	\$1,042,402	\$1,061,450
4.	O & M Expenses (excluding depreciation)	\$819,984	\$856,090	\$884,766	\$913,892	\$943,479	\$973,537
5.	<i>Net Operating Revenue</i>	\$164,996	\$131,380	\$120,653	\$109,835	\$98,923	\$87,913
	<i>Capital-Related Costs - Debt Service</i>						
6.	Existing Principal and Interest	\$88,865	\$88,865	\$88,808	\$88,592	\$85,070	\$86,954
7.	Proposed Principal and Interest	\$0	\$278,006	\$278,006	\$278,006	\$278,006	\$278,006
8.	<i>Total Debt Service</i>	\$88,865	\$366,871	\$366,814	\$366,598	\$363,076	\$364,960
9.	<i>Non-operating Revenue</i>	\$33,523	\$40,693	\$48,007	\$55,467	\$63,076	\$70,838
	<i>Other Capital-Related Costs</i>						
10.	Contributions to Specific Reserves		\$17,971	\$40,660	\$57,991	\$48,943	\$39,915
11.	Capital Expenditures Not Debt-Financed	\$94,596					
12.	<i>Total Other Capital-Related Costs</i>	\$94,596	\$17,971	\$40,660	\$57,991	\$48,943	\$39,915
13.	Net Balance From Operations	\$15,058	(\$212,769)	(\$238,814)	(\$259,287)	(\$250,020)	(\$246,124)
14.	Percent Deficiency of Sewer Service Revenue		24%	26%	28%	26%	25%
15.	Cumulative Sewer Service Revenue		\$897,469	\$1,812,888	\$2,746,615	\$3,699,017	\$4,670,467
16.	Cumulative Net Balance		(\$197,711)	(\$436,525)	(\$695,812)	(\$945,832)	(\$1,191,956)
17.	Cumulative Percent Deficiency		22%	24%	25%	26%	26%

Appendix K
Estimated Flow of Funds with Revenue Increase

Flow of Funds -- Increased Rates -- Water System

No.	Description	Projected Years				
		1	2	3	4	5
	Operating Revenue					
	Water Services -- Existing Rates	\$1,084,888	\$1,089,568	\$1,094,248	\$1,098,928	\$1,103,608
	Additional Water Service Revenue					
58%	Revenue Increase -- see left		\$627,591	\$630,287	\$632,983	\$635,678
1.	Total Water Service Revenue	\$1,084,888	\$1,717,159	\$1,724,535	\$1,731,911	\$1,739,286
2.	Other Operating Revenue	\$80,000	\$82,000	\$84,000	\$86,000	\$88,000
3.	Total Operating Revenue	\$1,164,888	\$1,799,159	\$1,808,535	\$1,817,911	\$1,827,286
4.	O & M Expenses (excluding depreciation)	\$969,368	\$1,028,732	\$1,073,435	\$1,076,679	\$1,113,789
5.	Net Operating Revenue	\$195,520	\$770,427	\$735,100	\$741,232	\$713,497
	Capital-Related Costs - Debt Service					
6.	Existing Principal and Interest	\$88,808	\$88,592	\$85,070	\$86,954	\$86,954
7.	Proposed Principal and Interest	\$0	\$0	\$539,136	\$539,136	\$539,136
8.	Total Debt Service	\$88,808	\$88,592	\$624,206	\$626,090	\$626,090
9.	Non-operating Revenue	\$34,193	\$40,377	\$46,684	\$53,118	\$59,680
	Other Capital-Related Costs					
10.	Contributions to Specific Reserves	\$62,165	\$76,940	\$130,106	\$145,514	\$146,113
11.	Capital Expenditures Not Debt-Financed					
12.	Total Other Capital-Related Costs	\$62,165	\$76,940	\$130,106	\$145,514	\$146,113
13.	Net Balance From Operations	\$78,739	\$645,272	\$27,472	\$22,746	\$975
14.	Cumulative Net Balance	\$78,739	\$724,011	\$751,483	\$774,229	\$775,203
15.	Maximum Year Debt Service Coverage	2.20	8.70	1.18	1.18	1.14

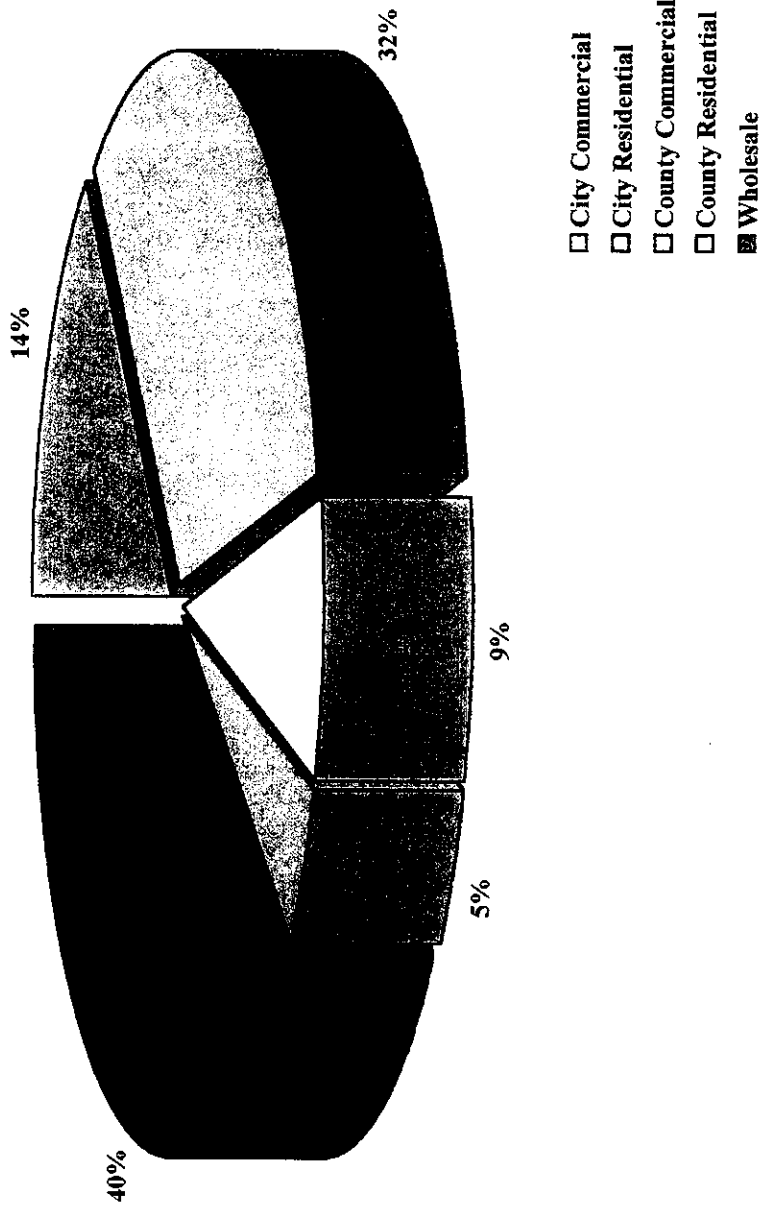
Flow of Funds -- With Rate Adjustment -- Sewer System

No.	Description	Projected Years				
		1	2	3	4	5
	Operating Revenue					
	Sewer Services -- Existing Rates	\$897,469	\$915,419	\$933,727	\$952,402	\$971,450
	Additional Sewer Service Revenue					
28 %	Revenue Increase--see left	\$0	\$254,203	\$259,287	\$264,473	\$269,762
1.	Total Sewer Service Revenue	\$897,469	\$1,169,622	\$1,193,014	\$1,216,874	\$1,241,212
2.	Other Operating Revenue	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000
3.	Total Operating Revenue	\$987,469	\$1,259,622	\$1,283,014	\$1,306,874	\$1,331,212
4.	O & M Expenses (excluding depreciation)	\$856,090	\$884,766	\$913,892	\$943,479	\$973,537
5.	Net Operating Revenue	\$131,380	\$374,856	\$369,122	\$363,396	\$357,675
	Capital-Related Costs - Debt Service					
6.	Existing Principal and Interest	\$88,865	\$88,808	\$88,592	\$85,070	\$86,954
7.	Proposed Principal and Interest	\$278,006	\$278,006	\$278,006	\$278,006	\$278,006
8.	Total Debt Service	\$366,871	\$366,814	\$366,598	\$363,076	\$364,960
9.	Non-operating Revenue	\$40,693	\$48,007	\$55,467	\$63,076	\$70,838
	Other Capital-Related Costs					
10.	Contributions to Specific Reserves	\$17,971	\$41,879	\$43,136	\$44,430	\$45,763
11.	Capital Expenditures Not Debt-Financed	\$0	\$0	\$0	\$0	\$0
12.	Total Other Capital-Related Costs	\$17,971	\$41,879	\$43,136	\$44,430	\$45,763
13.	Net Balance From Operations	(\$212,769)	\$14,169	\$14,855	\$18,967	\$17,790
14.	Cumulative Net Balance	(\$212,769)	(\$198,600)	(\$183,745)	(\$164,778)	(\$146,988)
15.	Maximum Year Debt Service Coverage	0.36	1.02	1.01	1.00	0.98

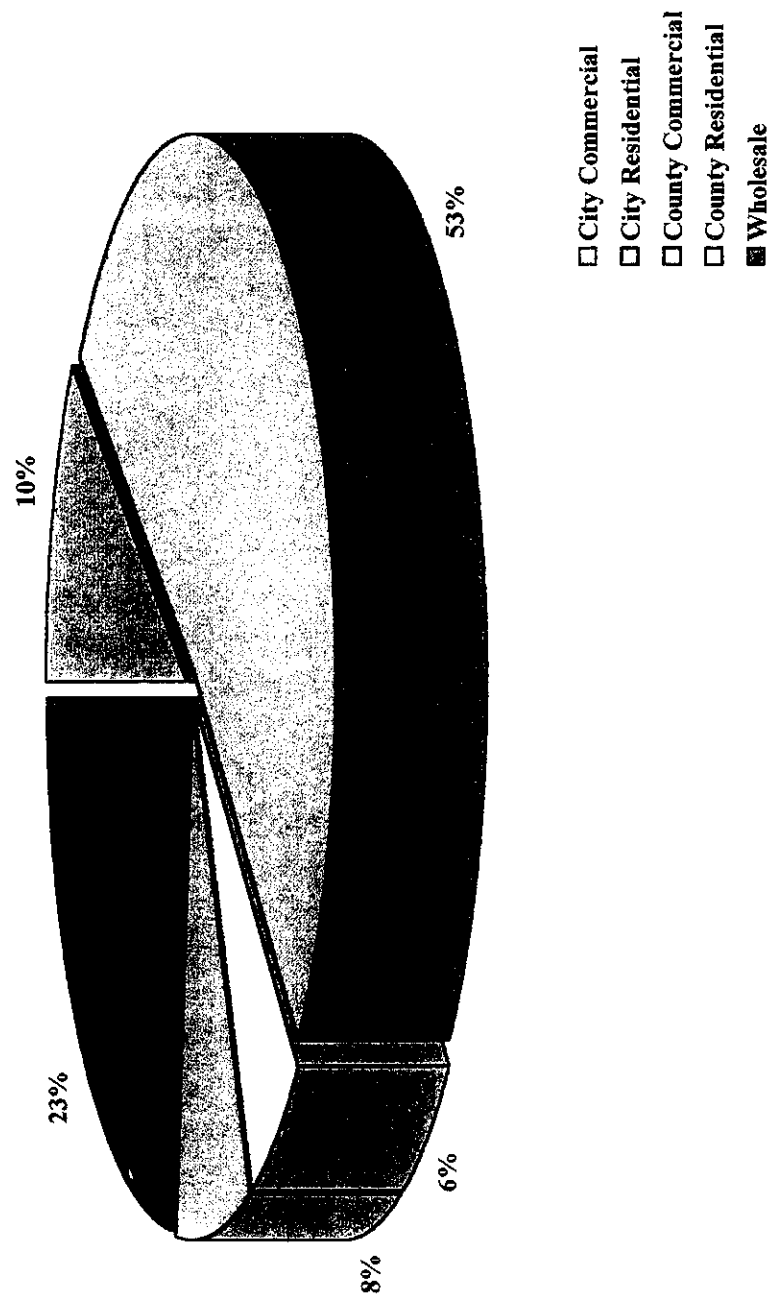
Appendix L

Customer Classes

Average Monthly Gallons Used 1999
Lawrenceburg Water System



**Average Monthly Revenue 1999
Lawrenceburg Water System**



Appendix M
Water and Sewer Revenue Projections

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Proposed Rates

Water

Monthly Rate Schedule:

		<u>County Residential</u>
First 2,000 Gal.	Minimum Bill	\$9.75
Next 8,000 Gal.	Cost Per \$1,000	\$3.25
Next 20,000 Gal.	Cost Per \$1,000	\$3.25
Next 30,000 Gal.	Cost Per \$1,000	\$3.25
Next 40,000 Gal.	Cost Per \$1,000	\$3.25
Next 100,000 Gal.	Cost Per \$1,000	\$3.25
Next 300,000 Gal.	Cost Per \$1,000	\$3.25
Next 500,000 Gal.	Cost Per \$1,000	\$3.25

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	42	\$9.75	63,000	\$410
3,000	89	\$13.00	222,500	\$1,157
4,000	58	\$16.25	203,000	\$943
5,000	55	\$19.50	247,500	\$1,073
6,000	45	\$22.75	247,500	\$1,024
7,000	37	\$26.00	240,500	\$962
8,000	28	\$29.25	210,000	\$819
9,000	20	\$32.50	170,000	\$650
10,000	13	\$35.75	123,500	\$465
11,000	10	\$39.00	105,000	\$390
12,000	7	\$42.25	80,500	\$296
13,000	5	\$45.50	62,500	\$228
14,000	4	\$48.75	54,000	\$195
15,000	2	\$52.00	29,000	\$104
16,000	2	\$55.25	31,000	\$111
17,000	2	\$58.50	33,000	\$117
18,000	2	\$61.75	35,000	\$124
19,000	1	\$65.00	18,500	\$65
20,000	1	\$68.25	19,500	\$68
25,000	3	\$84.50	67,500	\$254
30,000	2	\$100.75	55,000	\$202
35,000	1	\$117.00	32,500	\$117
50,000	1	\$165.75	42,500	\$166
60,000	1	\$198.25	55,000	\$198
75,000	0	\$247.00	0	\$0
100,000	0	\$328.25	0	\$0
150,000	0	\$490.75	0	\$0
200,000	0	\$653.25	0	\$0
500,000	0	\$1,628.25	0	\$0
750,000	0	\$2,440.75	0	\$0
Total Per Month	431		2,448,000	\$10,134
Total Per Year			29,376,000	\$121,602

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Proposed Rates

Water

Monthly Rate Schedule:

		<u>County Commercial</u>
First 2,000 Gal.	Minimum Bill	\$9.75
Next 8,000 Gal.	Cost Per \$1,000	\$3.25
Next 20,000 Gal.	Cost Per \$1,000	\$3.25
Next 30,000 Gal.	Cost Per \$1,000	\$3.25
Next 40,000 Gal.	Cost Per \$1,000	\$3.25
Next 100,000 Gal.	Cost Per \$1,000	\$3.25
Next 300,000 Gal.	Cost Per \$1,000	\$3.00
Next 500,000 Gal.	Cost Per \$1,000	\$3.00

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	9	\$9.75	13,500	\$88
3,000	3	\$13.00	7,500	\$39
4,000	2	\$16.25	7,000	\$33
5,000	2	\$19.50	9,000	\$39
6,000	3	\$22.75	16,500	\$68
7,000	1	\$26.00	6,500	\$26
8,000	1	\$29.25	7,500	\$29
9,000	1	\$32.50	8,500	\$33
10,000	1	\$35.75	9,500	\$36
11,000	1	\$39.00	10,500	\$39
12,000	0	\$42.25	0	\$0
13,000	0	\$45.50	0	\$0
14,000	0	\$48.75	0	\$0
15,000	1	\$52.00	14,500	\$52
16,000	0	\$55.25	0	\$0
17,000	0	\$58.50	0	\$0
18,000	0	\$61.75	0	\$0
19,000	0	\$65.00	0	\$0
20,000	1	\$68.25	19,500	\$68
25,000	1	\$84.50	22,500	\$85
30,000	0	\$100.75	0	\$0
35,000	1	\$117.00	32,500	\$117
50,000	1	\$165.75	42,500	\$166
60,000	0	\$198.25	0	\$0
75,000	0	\$247.00	0	\$0
100,000	0	\$328.25	0	\$0
150,000	0	\$490.75	0	\$0
200,000	0	\$653.25	0	\$0
500,000	0	\$1,553.25	0	\$0
750,000	0	\$2,303.25	0	\$0
Total Per Month	29		227,500	\$917
Total Per Year			2,730,000	\$10,998

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Proposed Rates

Water

Monthly Rate Schedule:		<u>City Residential</u>
First 2,000 Gal.	Minimum Bill	\$9.75
Next 8,000 Gal.	Cost Per \$1,000	\$3.10
Next 20,000 Gal.	Cost Per \$1,000	\$3.10
Next 30,000 Gal.	Cost Per \$1,000	\$3.10
Next 40,000 Gal.	Cost Per \$1,000	\$3.10
Next 100,000 Gal.	Cost Per \$1,000	\$3.10
Next 300,000 Gal.	Cost Per \$1,000	\$3.10
Next 500,000 Gal.	Cost Per \$1,000	\$3.10

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	634	\$9.75	951,000	\$6,182
3,000	520	\$12.85	1,300,000	\$6,682
4,000	547	\$15.95	1,914,500	\$8,725
5,000	491	\$19.05	2,209,500	\$9,354
6,000	384	\$22.15	2,112,000	\$8,506
7,000	263	\$25.25	1,709,500	\$6,641
8,000	175	\$28.35	1,312,500	\$4,961
9,000	103	\$31.45	875,500	\$3,239
10,000	68	\$34.55	646,000	\$2,349
11,000	45	\$37.65	472,500	\$1,694
12,000	25	\$40.75	287,500	\$1,019
13,000	16	\$43.85	200,000	\$702
14,000	12	\$46.95	162,000	\$563
15,000	8	\$50.05	116,000	\$400
16,000	5	\$53.15	77,500	\$266
17,000	3	\$56.25	49,500	\$169
18,000	4	\$59.35	70,000	\$237
19,000	3	\$62.45	55,500	\$187
20,000	2	\$65.55	39,000	\$131
25,000	6	\$81.05	135,000	\$486
30,000	3	\$96.55	82,500	\$290
35,000	1	\$112.05	32,500	\$112
50,000	1	\$158.55	42,500	\$159
60,000	1	\$189.55	55,000	\$190
75,000	0	\$236.05	0	\$0
100,000	0	\$313.55	0	\$0
150,000	0	\$468.55	0	\$0
200,000	0	\$623.55	0	\$0
500,000	0	\$1,553.55	0	\$0
750,000	0	\$2,328.55	0	\$0
Total Per Month		3,320	14,907,500	\$63,243
Total Per Year			178,890,000	\$758,915

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Proposed Rates

Water

Monthly Rate Schedule:		<u>City Commercial</u>
First 2,000 Gal.	Minimum Bill	\$9.75
Next 8,000 Gal.	Cost Per \$1,000	\$3.10
Next 20,000 Gal.	Cost Per \$1,000	\$3.10
Next 30,000 Gal.	Cost Per \$1,000	\$3.10
Next 40,000 Gal.	Cost Per \$1,000	\$3.10
Next 100,000 Gal.	Cost Per \$1,000	\$3.10
Next 300,000 Gal.	Cost Per \$1,000	\$2.85
Next 500,000 Gal.	Cost Per \$1,000	\$2.85

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	153	\$9.75	229,500	\$1,492
3,000	32	\$12.85	80,000	\$411
4,000	31	\$15.95	108,500	\$494
5,000	27	\$19.05	121,500	\$514
6,000	18	\$22.15	99,000	\$399
7,000	11	\$25.25	71,500	\$278
8,000	6	\$28.35	45,000	\$170
9,000	7	\$31.45	59,500	\$220
10,000	4	\$34.55	38,000	\$138
11,000	4	\$37.65	42,000	\$151
12,000	3	\$40.75	34,500	\$122
13,000	2	\$43.85	25,000	\$88
14,000	2	\$46.95	27,000	\$94
15,000	1	\$50.05	14,500	\$50
16,000	1	\$53.15	15,500	\$53
17,000	1	\$56.25	16,500	\$56
18,000	1	\$59.35	17,500	\$59
19,000	1	\$62.45	18,500	\$62
20,000	1	\$65.55	19,500	\$66
25,000	3	\$81.05	67,500	\$243
30,000	4	\$96.55	110,000	\$386
35,000	2	\$112.05	65,000	\$224
50,000	6	\$158.55	255,000	\$951
60,000	1	\$189.55	55,000	\$190
75,000	2	\$236.05	135,000	\$472
100,000	5	\$313.55	437,500	\$1,568
150,000	2	\$468.55	250,000	\$937
200,000	3	\$623.55	525,000	\$1,871
500,000	0	\$1,478.55	0	\$0
750,000	0	\$2,191.05	0	\$0
Total Per Month		334	2,983,000	\$11,760
Total Per Year			35,796,000	\$141,118

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Proposed Rates

Water

Monthly Rate Schedule:

County Large Meters

First 2,000 Gal.	Minimum Bill	\$9.75
Next 8,000 Gal.	Cost Per \$1,000	\$3.25
Next 20,000 Gal.	Cost Per \$1,000	\$3.25
Next 30,000 Gal.	Cost Per \$1,000	\$3.25
Next 40,000 Gal.	Cost Per \$1,000	\$3.25
Next 100,000 Gal.	Cost Per \$1,000	\$3.25
Next 300,000 Gal.	Cost Per \$1,000	\$3.00
Next 500,000 Gal.	Cost Per \$1,000	\$3.00

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	9	\$9.75	13,500	\$88
3,000	2	\$13.00	5,000	\$26
4,000	2	\$16.25	7,000	\$33
5,000	2	\$19.50	9,000	\$39
6,000	2	\$22.75	11,000	\$46
7,000	1	\$26.00	6,500	\$26
8,000	1	\$29.25	7,500	\$29
9,000	1	\$32.50	8,500	\$33
10,000	1	\$35.75	9,500	\$36
11,000	1	\$39.00	10,500	\$39
12,000	0	\$42.25	0	\$0
13,000	0	\$45.50	0	\$0
14,000	0	\$48.75	0	\$0
15,000	0	\$52.00	0	\$0
16,000	0	\$55.25	0	\$0
17,000	0	\$58.50	0	\$0
18,000	0	\$61.75	0	\$0
19,000	0	\$65.00	0	\$0
20,000	0	\$68.25	0	\$0
25,000	0	\$84.50	0	\$0
30,000	0	\$100.75	0	\$0
35,000	1	\$117.00	32,500	\$117
50,000	1	\$165.75	42,500	\$166
60,000	0	\$198.25	0	\$0
75,000	0	\$247.00	0	\$0
100,000	0	\$328.25	0	\$0
150,000	0	\$490.75	0	\$0
200,000	0	\$653.25	0	\$0
500,000	1	\$1,553.25	350,000	\$1,553
1,000,000	0	\$53.25	0	\$0
above	1	\$9,704.25	3,217,000	\$9,704
Total Per Month	26		3,730,000	\$11,934
Total Per Year			44,760,000	\$143,202

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000

Test Period with Proposed Rates

Water

Monthly Rate Schedule:		<u>City Large Meters</u>
First 2,000 Gal.	Minimum Bill	\$9.75
Next 8,000 Gal.	Cost Per \$1,000	\$3.10
Next 20,000 Gal.	Cost Per \$1,000	\$3.10
Next 30,000 Gal.	Cost Per \$1,000	\$3.10
Next 40,000 Gal.	Cost Per \$1,000	\$3.10
Next 100,000 Gal.	Cost Per \$1,000	\$3.10
Next 300,000 Gal.	Cost Per \$1,000	\$2.85
Next 500,000 Gal	Cost Per \$1,000	\$2.85

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	1	\$9.75	1,500	\$10
3,000	0	\$12.85	0	\$0
4,000	0	\$15.95	0	\$0
5,000	0	\$19.05	0	\$0
6,000	0	\$22.15	0	\$0
7,000	0	\$25.25	0	\$0
8,000	0	\$28.35	0	\$0
9,000	0	\$31.45	0	\$0
10,000	0	\$34.55	0	\$0
11,000	0	\$37.65	0	\$0
12,000	0	\$40.75	0	\$0
13,000	0	\$43.85	0	\$0
14,000	0	\$46.95	0	\$0
15,000	0	\$50.05	0	\$0
16,000	0	\$53.15	0	\$0
17,000	0	\$56.25	0	\$0
18,000	0	\$59.35	0	\$0
19,000	0	\$62.45	0	\$0
20,000	0	\$65.55	0	\$0
25,000	0	\$81.05	0	\$0
30,000	0	\$96.55	0	\$0
35,000	0	\$112.05	0	\$0
50,000	1	\$158.55	42,500	\$159
60,000	1	\$189.55	55,000	\$190
75,000	0	\$236.05	0	\$0
100,000	1	\$313.55	87,500	\$314
150,000	1	\$468.55	125,000	\$469
200,000	0	\$623.55	0	\$0
500,000	0	\$1,478.55	0	\$0
750,000	1	\$2,191.05	3,240,000	\$2,191
Total Per Month		6	3,551,500	\$3,331
Total Per Year			42,618,000	\$39,972

Yr	Master Meter	Water Usage in Hundreds of Gallons													
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
96	Alton Water District - 1143 Station Rd		40257	55590	40646	33616	15488	16555	32816	26289	24873	41054	42471	96 Ave	33605
97	Alton Water District - 1143 Station Rd	45404	39160	56821	46761	35429	43072	49857	36340	41953	31665	46803	35056	97 Ave	42360
98	Alton Water District - 1143 Station Rd	43833	41161	36303	24216	37850	30422	30750	34725	34359	34013	40107	34813	98 Ave	35213
99	Alton Water District - 1143 Station Rd	48903	64597	41100	41754	34270	31834	33512	40966	34829	38199	35580	38045	99 Ave	40299
00	Alton Water District - 1143 Station Rd	31762	35401	37648	32667									FY99 AV	39269
96	Alton Water District - 1380 Alton Sta Rd		35828	34423	28591	32747	40210	35112	36023	42004	29982	29226	9686	96 Ave	32167
97	Alton Water District - 1380 Alton Sta Rd	31027	33909	29478	29127	34796	38628	35132	45804	40858	35677	38104	31379	97 Ave	35310
98	Alton Water District - 1380 Alton Sta Rd	32976	35124	29154	33153	33260	38096	30172	34566	42119	32324	35563		98 Ave	34228
98	Alton Water District - 1380 Alton Sta Rd	13030	5580	4510	6940	10100	29960	15730	12800	15330	14200	19090	48750	98 Ave	16335
99	Alton Water District - 1380 Alton Sta Rd	44580	46220	38210	42340	45960	56930	48000	63240	54420	59380	46750	53020	99 Ave	49921
00	Alton Water District - 1380 Alton Sta Rd	55690	52010	46830	46310									FY99 AV	47907
96	South Anderson Water - Highway 44		12224	12427	10189	11405	14094	5361	5128	5801	3902	4640	4033	96 Ave	8109
97	South Anderson Water - Highway 44	4159	4612	4456	3914	4701	5485	5815	7370	6452	4950	5621	4678	97 Ave	5184
98	South Anderson Water - Highway 44	5209	5573	4783	4834	4809	6972	5514	6251	8878	8482	9447	7414	98 Ave	6514
99	South Anderson Water - Highway 44	5438	5956	4823	4750	5366	13925	15800	20870	17982	17903	14726	16719	99 Ave	12022
00	South Anderson Water - Highway 44	17034	18494	13996	8922									FY99 AV	7187
96	South Anderson Water - Jenny Lillard		12360	9530	10200	9900	10870	8250	11260	12180	9280	10990	9990	96 Ave	10437
97	South Anderson Water - Jenny Lillard	11290	11630	10800	9180	10320	12000	12100	18240	10740	10950	11920	10640	97 Ave	11651
98	South Anderson Water - Jenny Lillard	10500	12010	11240	9960	9490	16390	12120	11540	15070	12940	11630	9900	98 Ave	11899
99	South Anderson Water - Jenny Lillard	10480	11870	9700	9970	11200	14220	12110	18200	14460	15470	11000	12720	99 Ave	12617
00	South Anderson Water - Jenny Lillard	12340	13570	12090	7420									FY99 AV	11720
96	South Anderson Water - US 127		22640	20550	15610	18270	22780	21130	21160	24570	19040	22530	19120	96 Ave	20673
97	South Anderson Water - US 127	20630	19780	20600	19130	19040	21820	20970	28600	24310	18450	21300	18450	97 Ave	21090
98	South Anderson Water - US 127	19420	20840	16450	18020	19170	25680	20130	23620	27560	25760	22850	18510	98 Ave	21501
99	South Anderson Water - US 127	21650	23180	18390	19670	22790	28870	24390	31460	26300	27170	23270	25050	99 Ave	24349
00	South Anderson Water - US 127	26980	23600	21450	16150									FY99 AV	22748
96	South Anderson Water - Highway 62		40120	40830	31030	34530	44470	53020	48710	56430	41260	45500	40690	96 Ave	43326
97	South Anderson Water - Highway 62	38510	41830	43080	41860	43070	50630	48320	71100	62390	49850	53720	44100	97 Ave	49038
98	South Anderson Water - Highway 62	47150	50990	40460	42790	43930	58210	46230	50430	64000	56900	54940	45880	98 Ave	50159
99	South Anderson Water - Highway 62	47770	53870	42960	67880	32670	61180	49470	64540	54280	58680	46310	51990	99 Ave	52633
00	South Anderson Water - Highway 62	53870	55720	40710	54150									FY99 AV	52059

Estimated Monthly Wholesale Usage (gallons)

Estimated Average Annual Wholesale Usage (gallons)

Estimated Annual Revenue from Wholesale Customers

18,089,025

217,088,300

\$473,209

\$ 2.18

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Test Period with Proposed Sewer Rates

Monthly Rate Schedule:		<u>City Residential</u>
First 2,000 Gal.	Minimum Bill	\$18.48
Next 8,000 Gal.	Cost Per \$1,000	\$4.10
Next 20,000 Gal.	Cost Per \$1,000	\$4.10
Next 30,000 Gal.	Cost Per \$1,000	\$4.10
Next 40,000 Gal.	Cost Per \$1,000	\$4.10
Next 100,000 Gal.	Cost Per \$1,000	\$4.10
Next 300,000 Gal.	Cost Per \$1,000	\$4.10
Next 500,000 Gal.	Cost Per \$1,000	\$4.10

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	634	\$18.48	951,000	\$11,716
3,000	520	\$22.58	1,300,000	\$11,742
4,000	547	\$26.68	1,914,500	\$14,594
5,000	491	\$30.78	2,209,500	\$15,113
6,000	384	\$34.88	2,112,000	\$13,394
7,000	263	\$38.98	1,709,500	\$10,252
8,000	175	\$43.08	1,312,500	\$7,539
9,000	103	\$47.18	875,500	\$4,860
10,000	68	\$51.28	646,000	\$3,487
11,000	45	\$55.38	472,500	\$2,492
12,000	25	\$59.48	287,500	\$1,487
13,000	16	\$63.58	200,000	\$1,017
14,000	12	\$67.68	162,000	\$812
15,000	8	\$71.78	116,000	\$574
16,000	5	\$75.88	77,500	\$379
17,000	3	\$79.98	49,500	\$240
18,000	4	\$84.08	70,000	\$336
19,000	3	\$88.18	55,500	\$265
20,000	2	\$92.28	39,000	\$185
25,000	6	\$112.78	135,000	\$677
30,000	3	\$133.28	82,500	\$400
35,000	1	\$153.78	32,500	\$154
50,000	1	\$215.28	42,500	\$215
60,000	1	\$256.28	55,000	\$256
75,000	0	\$317.78	0	\$0
100,000	0	\$420.28	0	\$0
150,000	0	\$625.28	0	\$0
200,000	0	\$830.28	0	\$0
500,000	0	\$2,060.28	0	\$0
750,000	0	\$3,085.28	0	\$0
Total Per Month	3,320		14,907,500	\$102,186
Total Per Year			178,890,000	\$1,226,226

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Test Period with Proposed Sewer Rates

Monthly Rate Schedule:		<u>City Commercial</u>
First 2,000 Gal.	Minimum Bill	\$18.48
Next 8,000 Gal.	Cost Per \$1,000	\$4.10
Next 20,000 Gal.	Cost Per \$1,000	\$4.10
Next 30,000 Gal.	Cost Per \$1,000	\$4.10
Next 40,000 Gal.	Cost Per \$1,000	\$4.10
Next 100,000 Gal.	Cost Per \$1,000	\$4.10
Next 300,000 Gal.	Cost Per \$1,000	\$4.10
Next 500,000 Gal.	Cost Per \$1,000	\$4.10

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	153	\$18.48	229,500	\$2,827
3,000	32	\$22.58	80,000	\$723
4,000	31	\$26.68	108,500	\$827
5,000	27	\$30.78	121,500	\$831
6,000	18	\$34.88	99,000	\$628
7,000	11	\$38.98	71,500	\$429
8,000	6	\$43.08	45,000	\$258
9,000	7	\$47.18	59,500	\$330
10,000	4	\$51.28	38,000	\$205
11,000	4	\$55.38	42,000	\$222
12,000	3	\$59.48	34,500	\$178
13,000	2	\$63.58	25,000	\$127
14,000	2	\$67.68	27,000	\$135
15,000	1	\$71.78	14,500	\$72
16,000	1	\$75.88	15,500	\$76
17,000	1	\$79.98	16,500	\$80
18,000	1	\$84.08	17,500	\$84
19,000	1	\$88.18	18,500	\$88
20,000	1	\$92.28	19,500	\$92
25,000	3	\$112.78	67,500	\$338
30,000	4	\$133.28	110,000	\$533
35,000	2	\$153.78	65,000	\$308
50,000	6	\$215.28	255,000	\$1,292
60,000	1	\$256.28	55,000	\$256
75,000	2	\$317.78	125,000	\$636
100,000	5	\$420.28	437,500	\$2,101
150,000	2	\$625.28	250,000	\$1,251
200,000	3	\$830.28	525,000	\$2,491
500,000	0	\$2,060.28	0	\$0
750,000	0	\$3,085.28	0	\$0
Total Per Month		334	2,973,000	\$17,419
Total Per Year			35,676,000	\$209,023

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Test Period with Proposed Sewer Rates

Monthly Rate Schedule:

City Large Meters

First 2,000 Gal.	Minimum Bill	\$18.48
Next 8,000 Gal.	Cost Per \$1,000	\$4.10
Next 20,000 Gal.	Cost Per \$1,000	\$4.10
Next 30,000 Gal.	Cost Per \$1,000	\$4.10
Next 40,000 Gal.	Cost Per \$1,000	\$4.10
Next 100,000 Gal.	Cost Per \$1,000	\$4.10
Next 300,000 Gal.	Cost Per \$1,000	\$4.10
Next 500,000 Gal	Cost Per \$1,000	\$4.10

Monthly Average Usage (gallons)	Number of Users	Cost Per User	Gallons Per Month	Revenue Per Month
0-2000	1	\$18.48	1,500	\$18
3,000	0	\$22.58	0	\$0
4,000	0	\$26.68	0	\$0
5,000	0	\$30.78	0	\$0
6,000	0	\$34.88	0	\$0
7,000	0	\$38.98	0	\$0
8,000	0	\$43.08	0	\$0
9,000	0	\$47.18	0	\$0
10,000	0	\$51.28	0	\$0
11,000	0	\$55.38	0	\$0
12,000	0	\$59.48	0	\$0
13,000	0	\$63.58	0	\$0
14,000	0	\$67.68	0	\$0
15,000	0	\$71.78	0	\$0
16,000	0	\$75.88	0	\$0
17,000	0	\$79.98	0	\$0
18,000	0	\$84.08	0	\$0
19,000	0	\$88.18	0	\$0
20,000	0	\$92.28	0	\$0
25,000	0	\$112.78	0	\$0
30,000	0	\$133.28	0	\$0
35,000	0	\$153.78	0	\$0
50,000	1	\$215.28	42,500	\$215
60,000	1	\$256.28	55,000	\$256
75,000	0	\$317.78	0	\$0
100,000	1	\$420.28	87,500	\$420
150,000	1	\$625.28	125,000	\$625
200,000	0	\$830.28	0	\$0
500,000	0	\$2,060.28	0	\$0
750,000	1	\$3,085.28	3,240,000	\$3,085
Total Per Month		6	3,551,500	\$4,621
Total Per Year			42,618,000	\$55,451

City of Lawrenceburg, Kentucky
Water and Sewer Rate Study, June 2000
Sewer Revenue Summary with Proposed Rates

Universal Fasteners (sewer credit)

	January	\$5,942.34
	February	\$5,942.34
Actual 1999 Billings	March	\$5,942.34
	April	\$6,696.38
	May	\$5,842.77
	June	\$6,765.51
	July	\$5,909.79
	August	\$7,693.90
	September	\$6,637.26
	October	\$7,509.18
	November	\$8,757.85
	December	\$7,322.60
	Average	\$8,645 4997.7778

Sewer District - Wholesale

	January	
	February	40120
1999 Water Usage in	March	40830
Hundred Gallons	April	31030
	May	34530
	June	44470
	July	53020
	August	48710
	September	56430
	October	41260
	November	45500
	December	40690
	Average	43326
	Average Revenue	\$7,495

Universal Fasteners and Wholesale Annual

Sewer Revenue	\$16,140
Residential Annual Sewer Revenue	\$1,226,226
Commercial Annual Sewer Revenue	\$209,023
Large Meters Annual Sewer Revenue	\$55,451
Total Annual Revenue from Sewer Charges	\$1,506,840 ¹

¹The proposed rate structure results in approximately \$350,000 more annual revenue than the 28 percent alone. The worksheet in Appendix K shows only the 28 percent increase.

CITY OF LAWRENCEBURG

REPORT OF AUDIT

FISCAL YEAR ENDING JUNE 30, 1999

FARMER & HUMBLE
Certified Public Accountants

CITY OF LAWRENCEBURG

REPORT OF AUDIT

FISCAL YEAR ENDING JUNE 30, 1999

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INDEPENDENT AUDITOR'S REPORT

FARMER & HUMBLE
CERTIFIED PUBLIC ACCOUNTANTS
301 CAPITOL AVENUE
FRANKFORT, KENTUCKY 40601
(502) 223-8234

August 26, 1999

Honorable Mayor and Members of the City Council
City of Lawrenceburg
205 East Woodford Street
Lawrenceburg, Kentucky 40342

We have audited the accompanying general purpose financial statements of the City of Lawrenceburg, Kentucky, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Lawrenceburg, Kentucky, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lawrenceburg, Kentucky, as of June 30, 1999, and the results of its operations and the cash flows of its propriety fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 26, 1999, on our consideration of the City of Lawrenceburg, Kentucky's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Farmer & Humble
Farmer & Humble

CITY OF LAWRENCEBURG, KENTUCKY
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

<u>ACCOUNT GROUPS</u>						
	<u>Governmental</u>	<u>Proprietary</u>	<u>General</u>	<u>General</u>	<u>Fiduciary</u>	<u>Totals</u>
	<u>Fund Types</u>	<u>Fund Types</u>	<u>Enterprise</u>	<u>Fixed Assets</u>	<u>Long-Term Debt</u>	<u>(memo only)</u>
<u>ASSETS</u>						
Cash	\$204,918	\$ 496,006	\$			\$732,917
Investments		425,083				425,083
Accounts Receivable, net (Note 8)	174,488	317,589				492,077
Interest Receivable		5,265				
Due from other Funds					889	6,154
Prepaid Expenses					3,415	9,872
Restricted Assets (Note 12)		30,138				112,618
Cash						
Investments		356,431				
Property and Equipment, net (Note 5)		536,105				
Deferred debt expense, net		6,905,836		2,057,322	133	356,564
Amount to be provided for retirement of compensated absences and leases		51,718			243,744	779,849
						8,963,158
						51,718
<u>Total Assets and Other Debits</u>	<u>\$468,343</u>	<u>\$9,124,171</u>	<u>\$31,993</u>	<u>\$2,057,322</u>	<u>\$248,181</u>	<u>197,027</u>
						<u>\$12,127,037</u>

LIABILITIES

Accounts Payable	\$22,585	\$	\$51,844	\$			
Accrued Expenses	33,662		31,874				\$ 74,429
Due to Other Funds	3,415		6,457				65,536
Current Portion of Long-Term Debt			111,330				9,872
Compensated Absences			37,597		31,526		142,856
Liabilities payable from restricted assets					48,541		86,138
Revenue Bonds(Note 2)			59,739				59,739
Notes Payable (Note 7)			886,787				886,787
Lease Obligations Payable (Note 6)			53,873				53,873
Total Liabilities	<u>\$ 59,662</u>	<u>\$</u>	<u>470,068</u>	<u>\$</u>	<u>116,960</u>		<u>587,028</u>
FUND EQUITY AND OTHER CREDITS			<u>\$1,709,569</u>		<u>\$197,027</u>		<u>\$ 1,966,258</u>
Investment in general fixed assets							
Contributed Capital			4,317,609	2,057,322			2,057,322
Retained Earnings-Reserved for restricted assets							4,317,609
Reserved for debt retirement			892,536			94,332	986,868
Unreserved			629,522				629,522
Fund Balances-Reserved for cemetery expenditures			1,574,935				1,574,935
Unreserved						153,849	153,849
Designated for specific fund purposes		31,993					31,993
Undesignated	<u>408,681</u>						<u>408,681</u>
Total fund equity and other credits	<u>\$408,681</u>	<u>\$ 31,993</u>	<u>\$7,414,602</u>	<u>\$2,057,322</u>		<u>\$248,181</u>	<u>\$10,160,779</u>
TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS	<u>\$468,343</u>	<u>\$ 31,993</u>	<u>\$9,124,171</u>	<u>\$2,057,322</u>	<u>\$197,027</u>	<u>\$248,181</u>	<u>\$12,127,037</u>

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, KENTUCKY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES-ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 1999

	<u>GOVERNMENTAL</u> <u>FUND TYPES</u>		<u>FIDUCIARY</u> <u>FUND TYPE</u>	
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>Expendable</u> <u>Trust</u>	<u>Totals</u> <u>(Memo Only)</u>
<u>Revenues-</u>				
Property Taxes	\$ 663,873	\$	\$	\$ 663,873
Licenses, Permits, and Fees	84,394			84,394
Fines and Forfeitures	265			265
Other Taxes	676,324			676,324
Charges for Services	3,620			3,620
Cemetery Fees	100,889			100,889
Rental Income	24,630			24,630
Investment Income	5,775	936	10,069	16,780
Intergovernmental Programs	316,265	118,892		435,157
Other	737			737
Total Revenues	<u>\$1,876,772</u>	<u>\$119,828</u>	<u>\$ 10,069</u>	<u>\$2,006,669</u>
<u>Expenditures-</u>				
General Government	\$ 382,831	\$ 9,376	\$	\$ 392,207
Street	257,111	209,278		466,389
Fire	58,414			58,414
Police	984,044	3,239		987,283
DES	7,491			7,491
Cemetery	124,118		3,790	127,908
Total Expenditures	<u>\$1,814,009</u>	<u>\$221,893</u>	<u>\$ 3,790</u>	<u>\$2,039,692</u>
Excess of revenues over expenditures	<u>62,763</u>	<u>(102,065)</u>	<u>6,279</u>	<u>(33,023)</u>
<u>Other Financing</u> <u>Sources(Uses)-</u>				
Operating Transfers from other funds	21,939	7,033	10,376	39,348
Operating Transfers to other funds	(17,409)	(12,936)	(6,834)	(37,179)
Capital Financing	50,245			50,245
Net other financing sources (uses)	<u>54,775</u>	<u>(5,903)</u>	<u>3,542</u>	<u>52,414</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>117,538</u>	<u>(107,968)</u>	<u>9,821</u>	<u>19,391</u>
Fund Balances, beginning	<u>291,143</u>	<u>139,961</u>	<u>144,028</u>	<u>575,132</u>
Fund Balances, ending	<u>\$ 408,681</u>	<u>\$ 31,993</u>	<u>\$ 153,849</u>	<u>\$594,523</u>

See accompanying notes to financial statements.

Other Financing Sources (Uses)					
Operating Transfers from other funds	21,939	21,939	7,033	7,033	
Operating Transfers to other funds	(17,409)	(17,409)	(12,936)	(12,936)	
Capital Financing	50,245	(101,755)			
Total other financing sources (uses)	<u>152,000</u>	<u>(97,225)</u>	<u>(5,903)</u>	<u>(5,903)</u>	
Excess (Deficiency) of revenues and other sources over expenditures and other uses	46,333	71,205	14,000	(107,968)	(121,968)
Balances, Beginning	47,408	243,735	127,220	139,961	12,741
Fund Balances, Ending	<u>\$ 93,741</u>	<u>\$ 314,940</u>	<u>\$ 141,220</u>	<u>\$ 31,993</u>	<u>\$ (109,227)</u>

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, KENTUCKY
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS-PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999

Proprietary Fund Types
Enterprise

Operating Revenues-	
Charges for Services	\$1,912,299
Other	<u>115,083</u>
Total Operating Revenues	<u>\$2,027,382</u>
Operating Expenses-	
Personal Services	\$ 687,264
Materials and Supplies	274,812
Maintenance	64,966
Transportation	7,242
Utilities	141,892
Insurance	67,880
Rent-General Fund	12,000
Legal and Professional	169,637
Depreciation	359,686
Other	9,520
River Authority Fee	<u>2,597</u>
Total Operating Expenses	<u>\$1,797,496</u>
Operating Income	\$ 229,886
<u>Nonoperating Revenue (Expenses)</u>	
Investment Income	71,422
Interest on Bonds, Notes, and Lease Obligations	(72,372)
Bond Agent Fees	(234)
Amortization	<u>(4,686)</u>
Net Income	\$ 224,016
Retained Earnings, Beginning	<u>7,190,586</u>
Retained Earnings, Ending	<u>\$7,414,602</u>

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, KENTUCKY
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS NON-EXPENDABLE TRUST
 YEAR ENDED JUNE 30, 1999

Fiduciary Fund
Non-Expendable Trust

REVENUES

Dividend Income	\$ 3,831
Interest Income	<u>391</u>
Total Revenues	<u>\$ 4,222</u>

EXPENSES

Taxes	\$ 302
Legal and Professional	526
Loss on Sale of Investments	<u>9</u>
Total Expenses	<u>\$ 837</u>

Income Before Non-Operating Revenues	3,385
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NON-OPERATING REVENUES

Net Increase in Fair Value of Investments	<u>5,032</u>
Income before Transfers	8,417
Transfers to General Fund	<u>(2,169)</u>
Increase in Retained Earnings	6,248
Retained Earnings, Beginning	<u>88,084</u>
Retained Earnings, Ending	<u>\$94,332</u>

ee accompanying notes to financial statements.

CITY OF LAWRENCEBURG, KENTUCKY
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999

Cash flows from operating activities:		
Cash received from customers	\$2,021,755	
Cash payments to suppliers for goods and services	(549,441)	
Cash payments to employees and professional contractors for services	(909,515)	
Net cash provided by operating activities		\$ 562,799
Cash flows from capital and related financing activities:		
Proceeds from issuance of capital leases	\$ 487,499	
Principal paid on bonds, notes, and lease obligations	(502,096)	
Interest paid on bond, notes, and lease obligations	(72,372)	
Bond agent fees	(234)	
Consumer Deposits	4,031	
Acquisition and Construction of capital assets	(763,973)	
Net cash used by capital and related financing activities		(847,145)
Cash flows from investing activities:		
Purchase of investments	\$ (30,105)	
Proceeds from sale of investments	98,019	
Investment income	75,025	
Net cash provided by investing activities		<u>142,939</u>
Net decrease in cash and cash equivalents		\$ (141,407)
Cash and cash equivalents at July 1, 1998		<u>993,844</u>
Cash and cash equivalents at June 30, 1999		<u>\$ 852,437</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income	\$ 229,886	
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	359,686	
Changes in assets and liabilities:		
Increase in accounts receivable	(5,627)	
Decrease in prepaid insurance	17,355	
Increase in accounts payable	11,516	
Decrease in accrued liabilities	(1,569)	
Decrease in due to other fund	(21,796)	
Decrease in compensated absences	(26,652)	
Net cash provided by operating activities	<u>\$ 562,799</u>	

See accompanying notes to financial statements.

CITY OF LAWRENCEBURG, KENTUCKY
COMBINED STATEMENT OF CASH FLOWS
NON-EXPENDABLE TRUST FUND TYPE
YEAR ENDED JUNE 30, 1999

<u>Cash flows from operating activities</u>	
Investment Income	\$ 4,474
Trust Expenses	<u>(828)</u>
Net cash provided by operating activities	\$ 3,646
<u>Cash flows from non-capital financing activities</u>	
Residual equity transfers	(2,169)
<u>Cash flows from investing activities</u>	
Purchase of investments	<u>(1,503)</u>
Net decrease in cash and cash equivalents	\$ (26)
Cash and cash equivalents at July 1, 1998	75
Cash and cash equivalents at June 30, 1999	<u><u>49</u></u>
<u>Reconciliation of operating income to net cash provided by operating activities</u>	
Operating income	\$ 3,385
Decrease in interest receivable	<u>261</u>
Net cash provided by operating activities	<u><u>\$ 3,646</u></u>
<u>Non-cash investing activities</u>	
Net increase in fair value of investments	\$ 5,032

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF LAWRENCEBURG, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

Note 1-Summary of Significant Accounting Policies

The City of Lawrenceburg (City) is a city in which citizens elect the mayor and six council members at large.

The financial statements of the City are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended June 30, 1999.

A. COMPONENT UNITS

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, no potential component units were identified.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the City are organized into funds and account groups, each of which is considered to be a separate accounting entity. The major fund categories and account groups are:

GOVERNMENTAL FUND TYPES

Governmental funds use the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period.

PROPRIETARY FUND TYPES

Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into contributed capital and retained earnings.

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the City in a trustee or agency capacity. Expendable trust funds account for financial activity in essentially the same manner as governmental funds. Non-expendable trust funds use the economic resources measurement focus in essentially the same manner as proprietary funds.

ACCOUNT GROUPS

The account groups are used to account for fixed assets and long-term liabilities which are not reported in the respective governmental funds.

C. FIXED ASSETS AND DEPRECIATION

Property, plant, and equipment of all funds are stated at historical cost. Donated fixed assets are stated at their fair value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Assets Account Group and are not depreciated. The City has elected not to report public domain or infrastructure fixed assets that are immovable and of value only to the City government. However the City maintains records of cost with appropriate legal and descriptive information for management. Approximate cost of infrastructure is \$3,750,000.

Proprietary fund fixed assets are recorded in the fund and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Water and Sewer System	45 years
Buildings	50 years
Improvements	20 years
Equipment	10 years

D. BASIS OF ACCOUNTING

MODIFIED ACCRUAL BASIS OF ACCOUNTING

The City uses the modified accrual basis of accounting for governmental fund types and the Expendable Trust Fund. The modified accrual basis of accounting recognizes revenues when both "measurable and available". Measurable means the amount can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, which are reported as expenditures in the year due. Major revenue sources susceptible to accrual include: insurance premium taxes, property taxes, franchise fees and intergovernmental revenue. See Note 10 for property tax information.

ACCRUAL BASIS OF ACCOUNTING

The accrual basis of accounting is used in proprietary fund types and the Non-Expendable Trust Fund. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when earned.

BUDGETARY DATA

The Mayor submits an annual budget to the City Council. In May, the City Council adopts annual fiscal year budgets appropriated for specified funds. These include General, Street, Cemetery, Fire, DES, Police, and Municipal Aid Road Fund. Each fund's appropriated budget is prepared on a detailed line item basis. Annually appropriated budgets are also approved for the proprietary fund operations including Water and Sewer. Once approved, the City Council may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations. Revenues are budgeted by source. Expenditures are budgeted by

department and class. The budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on these bases. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

F. CASH AND INVESTMENTS

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. The composition of trust investments, additional cash and investment information, and fair values are presented in Note 9.

G. DEFERRED DEBT EXPENSE AND BOND DISCOUNT

Bond issuance costs, bond discounts, and the difference between the reacquisition price and the net carrying value of proprietary refunded debt are capitalized and amortized over the terms of the respective bonds using the straight-line method.

H. TOTAL COLUMNS (MEMORANDUM ONLY)

Total columns on the combined statements are captioned "memo only" to indicate that they are presented only to aid in financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

I. COMPENSATED ABSENCES

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to all accrued vacation leave upon their termination.

The estimated current portion of the liability for vested vacation benefits attributable to the City's governmental funds is recorded as an expenditure and liability in the the respective funds. The long-term portion is recorded in the General Long-Term Debt Account Group. The amounts attributable to proprietary funds are charged to expense and a corresponding liability in the applicable fund.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. ENCUMBRANCES

Encumbrance accounting is used for the General and Special Revenue Funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are reported as a reservation of fund balance on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward as reserved fund balance until liquidated.

Note 2-Long-Term Debt

The Water & Sewer Refunding Revenue Bonds are collateralized by the revenue of the water and sewer system. Bond indentures contain significant requirements for annual debt service and flow of funds through various restricted accounts. The bonds require use of revenue, bond, operations and maintenance, reserve, and renewal or replacement accounts. The reporting entity is in compliance with all significant requirements of the various bond covenants.

On December 3, 1991, \$1,370,000 of Water and Sewer Refunding Revenue Bonds, dated December 1, 1991 were sold by the City. Net proceeds from the sale were \$1,349,450, after a bond discount of \$20,550. The following disposition was made of the \$1,349,450.

(1)	\$1,295,810	Escrow Investments
(2)	205	Cash to Escrow
(3)	25,000	MBIA Premium
(4)	<u>28,435</u>	Insurance Costs
	<u>\$1,349,450</u>	

The Water and Sewer Refund Revenue Bonds of 1991 maturing on or after October 1, 2001, are subject to redemption prior to maturity, in whole or in part, in adverse order of their maturities, on any interest payment date falling on or after October 1, 2001, upon payment of the fair amount plus all accrued interest, plus a redemption premium expressed in terms of a percentage of the fair amount of the bonds called for redemption as follows:

- 2% from October 1, 2001 through October 1, 2004
- 1% from April 1, 2005 thereafter and prior to maturity

The maturities of the Water and Sewer Refunding Revenue Bonds of 1991 are as follows:

Fiscal Year	Interest Rate	Principal Maturities	Interest Maturities	Total Principal and Interest
2000	5.7%	\$ 70,000	\$ 55,706	\$ 125,706
2001	5.8%	75,000	51,536	126,536
2002	5.9%	80,000	47,001	127,001
2003	6.0%	85,000	42,091	127,091
2004	6.1%	90,000	36,796	126,796
2005	6.2%	95,000	31,106	126,106
2006	6.25%	100,000	25,036	125,036
2007	6.30%	110,000	18,446	128,446
2008	6.375%	115,000	11,316	126,316
2009	6.375%	<u>120,000</u>	<u>3,825</u>	<u>123,825</u>
		<u>\$ 940,000</u>	<u>\$ 322,859</u>	<u>\$1,262,859</u>

During the year ended June 30, 1974, the Plant entered into an assistance agreement with the Kentucky Pollution Abatement Authority (KPAA) in order to obtain additional federal grants. KPAA issued revenue bonds to finance assistance agreements with various Kentucky municipalities. In accordance with the agreement the Plant was granted \$75,625 from KPAA, represented by a total repayable grant of \$84,769 less \$2,835 of KPAA expenses and \$6,309, the Plant's proportionate share of KPAA's debt service reserve.

The agreement provides that the Plant pay KPAA the principal and interest due annually on its proportionate share of the KPAA bond issue plus a fee of 1/48 of the unpaid principal. The payments of KPAA are collateralized by a pledge of the income and revenues derived by the Plant from the collection of sewer rates, rentals, and charges. Such income and revenues, however, are first pledged to the payment of debt service on the outstanding Water and Sewer Refunding Revenue Bonds or parity bonds issued hereafter. In the event that no participating municipalities default on the repayment of their respective grants, the entire \$6,309 in the KPAA's debt service described above will be available for the final grant maturities. The interest rate ranges from 4.8% to 5.3%.

Grant Repayments

<u>Fiscal Year</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Principal and Interest</u>
2000	\$ 5,051	\$ 1,126	\$ 6,177
2001	5,305	874	6,179
2002	5,586	603	6,189
2003	<u>5,896</u>	<u>312</u>	<u>6,208</u>
Total KPAA Grant Repayments	<u>\$ 21,838</u>	<u>\$ 2,915</u>	<u>\$ 24,753</u>
TOTAL LONG-TERM DEBT	<u>\$ 961,838</u>	<u>\$ 325,774</u>	<u>\$1,287,612</u>

The parity standards of the bond ordinance require net revenues, as defined in the ordinance, to exceed 1.3 times the maximum annual debt service requirements. Net revenues for the year were \$589,572, and the amount required by the bond ordinances was \$173,289. The net revenues equal 4.4 times the maximum annual principal and interest requirements for outstanding bonds for fiscal year 1999.

Note 3-Refundable Contributions

General Cable Corporation paid \$101,081 of the construction cost of the water line related to the KPAA project. The City has agreed to repay the advance by allowing a 25% discount on water use charges by General Cable until the advance is fully repaid. The balance of the account at June 30, 1999 is \$57,233.

Note 4-Retirement Plan

The City participates in a defined contribution plan administered by the Commonwealth of Kentucky Retirement System. The plan is available to employees of Kentucky counties, political subdivisions, and instrumentalities. The City contributes 18.85% of policemen's gross wages and 8.22% of the gross wages of all other employees participating in the plan. Participating policemen and other employees contribute 8% and 5% respectively, of their gross pay to the plan. Costs and expenses include contributions to the plan of \$165,483 and \$167,411 for 1999 and 1998, respectively.

Note 5-Property and Equipment

A summary of changes in general fixed assets is as follows:

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 151,774	\$	\$	\$ 151,774
Buildings	1,054,296			1,054,296
Furniture and fixtures	158,415	3,642		162,057
Machinery and equipment	209,344	17,918		227,262
Vehicles	351,487	49,354		400,841
Improvements	56,234	4,858		61,092
Totals	<u>\$1,981,550</u>	<u>\$ 75,772</u>	<u>\$</u>	<u>\$2,057,322</u>

Property and equipment reported in the City's proprietary fund are:

	<u>Enterprise</u>
Buildings	\$ 823,350
Furniture and Fixtures	38,184
Machinery and Equipment	1,147,764
Land and Improvements	743,246
Water and Sewer System	<u>9,120,020</u>
	\$11,872,564
Less: Accumulated Depreciation	<u>4,966,728</u>
Net property, plant, and equipment	<u>\$ 6,905,836</u>

Note 6-Lease Commitments

Capital Leases

The present value of capital leases are:

	<u>Capital Leases</u>	
	<u>General Long-Term Debt</u>	<u>Enterprise Fund</u>
2000	\$ 39,405	\$ 50,663
2001	33,489	46,083
2002	19,158	36,478
2003	10,129	29,891
2004	10,129	29,350
Thereafter	<u>81,030</u>	<u>507,415</u>
Total	\$193,340	\$699,880
Less Amount Representing Interest (3.6% to 5.8%)	<u>44,854</u>	<u>197,551</u>
Present Value of Future Minimum Lease Payments	<u>\$148,486</u>	<u>\$502,329</u>
 Cost of Property		
Buildings and Land	\$100,000	\$
Vehicles	102,395	32,599
Utility System		465,000
Equipment		<u>10,400</u>
	<u>\$202,395</u>	<u>\$507,999</u>

Note 7-Notes Payable

In 1990, the City was a recipient of an industrial revolving loan to facilitate water line construction for the Industrial Park Custom Tool and Manufacturing plant. The Commonwealth of Kentucky, Department of Local Government, granted this loan in the amount of \$84,114 at an interest rate of 5.2% Interest payment dates are December 1 and June 1. Principal payment will commence on June 1 succeeding the project completion date at a repayment term of 20 years. The balance of the note at June 30, 1999 is \$57,891.

<u>Fiscal Year</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Principal and Interest</u>
2000	4,018	2,959	6,977
2001	4,230	2,747	6,977
2002	4,453	2,524	6,977
2003	4,687	2,290	6,977
2004	4,934	2,043	6,977

Note 8-Accounts Receivable

Receivables as of June 30, 1999 consist of:

	<u>General</u>	<u>Enterprise</u>
Customer/Taxpayer Accounts	\$165,033	\$199,836
Intergovernmental Revenue	5,521	
Other	3,934	132
Unbilled Revenue		117,621
	<u>\$174,488</u>	<u>\$317,589</u>

Note 9-Deposits and Investments

Deposits

The City's deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year end. The categories are described as follows:

Category 1-Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2-Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3-Uncollateralized.

Deposits, categorized by risk, are:

<u>Cash/Cash Equivalents</u>	<u>Bank Balance</u>	<u>Category</u>			<u>Carrying Amount</u>
		1	2	3	
General	\$ 238,116	\$101,002	\$137,114	\$	\$ 204,918
Special Revenue	37,042		37,042		31,993
Proprietary	879,658	100,000	779,658		852,437
Fiduciary	133	133			133
Certificates of Deposit					
Fiduciary	15,000	4,616	10,384		15,000
Proprietary	931,083	100,000	831,083		931,083
Total Deposits	<u>\$2,101,032</u>	<u>\$305,751</u>	<u>\$1,795,281</u>	<u>\$</u>	<u>\$2,035,564</u>

Investments

Investing is performed in accordance with investment policies complying with State Statutes and City Municipal Order Number 1994-1. Funds may be invested in (1) direct obligations of the United States government pledged by its full faith and credit, (2) certificates of deposit at savings and loan associations and federally insured banks, (3) bankers' acceptances and commercial paper, (4) any bond, note, or other indebtedness issued by state or local governments, and (5) open-ended mutual fund in operation at least five years. The management of the fiduciary funds is in accordance with State Statutes by trustee bank departments.

The City's investments are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

Category 1-Insured or registered, or securities held by the City or its agent in the City's name.

Category 2-Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.

Category 3-Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the City's name.

Investments, categorized by level of risk, are:

	Category			Fair Value/ Carrying Amount	Cost
	1	2	3		
Proprietary Fund					
U.S. government securities	\$ 30,105	\$	\$	\$ 30,105	\$ 30,105
Fiduciary Fund					
U.S. government securities	39,092			39,092	39,977
Corporate bonds/notes	15,036			15,036	24,931
Managed domestic mutual funds	163,943			163,943	150,009
Managed international mutual funds	10,673			10,673	9,676
Total Investments	<u>\$258,849</u>	<u>\$</u>	<u>\$</u>	<u>\$258,849</u>	<u>\$254,698</u>

Note 10-Property Taxes

Property taxes are collected and remitted to the City. Taxes levied annually on January 1 are due by December 31. Major tax payments are received October through December, and are recognized as revenue in the year received. The lien date for real property is January 1. Delinquent tax payments, received throughout the year are recognized as revenue in the year received, except for those received within 60 days of year-end, which are recognized as revenue as of June 30.

Note 11-Federal Grants

In the normal course of operations, the City receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 12-Restricted Assets

Certain proprietary fund assets are restricted for capital outlay and long-term debt payments. Reserved retained earnings include the excess of certain liabilities over the excess of assets restricted for the debt service on revenue bonds which does not include assets restricted for capital outlay. Fiduciary funds report restricted assets legally restricted for specified uses.

Note 13-Fund Equity

RESERVED FUND EQUITY

Reservations of equity show amounts that are not appropriate for expenditure or are legally restricted for specific uses. The purpose for each is indicated by the account title on the face of the balance sheet.

DESIGNATED FUND EQUITY

Designations of equity are used to show the amounts within unreserved equity which are intended to be used for specific purposes, but are not legally restricted. Designated equity in the special revenue fund is intended for the purpose of street improvements.

Note 14-Year 2000 Compliance (Unaudited)

The City is significantly dependent on computerized systems for essential operations and to provide services to citizens. As a continuing process, the City is actively engaged in making necessary changes to its systems and equipment to achieve year 2000 compliance. Interfacing business partners are being surveyed to assess their compliance status and possible impact on City services. Other information technology projects have been re-prioritized and delayed when necessary to support continuing progress toward year 2000 compliance. These changes include system upgrades and equipment replacements. Contingency plans are also being considered.

Note 15-Receiveable and Payables Within The Reporting Entity

The following schedule reports receivables and payables at fiscal year-end:

<u>Amount</u>	<u>Due to other funds</u>	<u>Due from other funds</u>
\$3,415	General Fund	Cemetery Trust Fund
<u>6,457</u>	O & M Fund	General Fund
<u>\$9,872</u>	Total	

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council of Lawrenceburg
Lawrenceburg, Kentucky 40342

We have audited the general purpose financial statements of the City of Lawrenceburg, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 26, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Lawrenceburg, Kentucky's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards. The Municipal Aid Road Fund expenditures exceeded the budgeted amounts approved by the City Council.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Lawrenceburg, Kentucky's control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, and City Council, and is not intended to be and should not be used by anyone other than these specific parties.

Farmer & Humble, CPA's

Farmer & Humble, CPA's
August 26, 1999



RURAL UTILITIES SERVICE BOND SCHEDULE, 6/12/2002



Name of Borrower: City of Lawrenceburg			
Amount of Loan	8778000	Annual Interest Rate	0.05
Number of Initial Interest Only Payments	2	Number of principal and/or Interest Payments	40
Payment Frequency	Annual	This is a split payment bond.	false
Principal Payment Units	1000	Interest Payment Units	1

YEAR	PERIOD	NUMBER	PAYMENT	INTEREST	PRINCIPAL	BALANCE
2003	1	1	438900	438900	0	8778000
2004	1	2	438900	438900	0	8778000
2005	1	3	520900	438900	82000	8696000
2006	1	4	520800	434800	86000	8610000
2007	1	5	520500	430500	90000	8520000
2008	1	6	520000	426000	94000	8426000
2009	1	7	520300	421300	99000	8327000
2010	1	8	520350	416350	104000	8223000
2011	1	9	520150	411150	109000	8114000
2012	1	10	520700	405700	115000	7999000
2013	1	11	519950	399950	120000	7879000
2014	1	12	519950	393950	126000	7753000
2015	1	13	520650	387650	133000	7620000
2016	1	14	520000	381000	139000	7481000
2017	1	15	520050	374050	146000	7335000
2018	1	16	520750	366750	154000	7181000
2019	1	17	520050	359050	161000	7020000
2020	1	18	520000	351000	169000	6851000
2021	1	19	520550	342550	178000	6673000
2022	1	20	520650	333650	187000	6486000
2023	1	21	520300	324300	196000	6290000
2024	1	22	520500	314500	206000	6084000
2025	1	23	520200	304200	216000	5868000
2026	1	24	520400	293400	227000	5641000
2027	1	25	520050	282050	238000	5403000
2028	1	26	520150	270150	250000	5153000
2029	1	27	520650	257650	263000	4890000
2030	1	28	520500	244500	276000	4614000
2031	1	29	520700	230700	290000	4324000
2032	1	30	520200	216200	304000	4020000
2033	1	31	520000	201000	319000	3701000
2034	1	32	520050	185050	335000	3366000
2035	1	33	520300	168300	352000	3014000
2036	1	34	520700	150700	370000	2644000
2037	1	35	520200	132200	388000	2256000
2038	1	36	520800	112800	408000	1848000
2039	1	37	520400	92400	428000	1420000
2040	1	38	520000	71000	449000	971000
2041	1	39	520550	48550	472000	499000
2042	1	40	523950	24950	499000	0
TOTALS			20654700	11876700	8778000	



United States
Department of
Agriculture

Rural
Development

771 Corporate Drive, Suite 200
Lexington, KY 40503-5477
(859) 224-7336 TTY(859) 224-7422

December 3, 2001

Honorable Gary Chilton
Mayor, City of Lawrenceburg
205 East Woodford Street
Lawrenceburg, Kentucky 40342

Dear Mayor Chilton:

This letter establishes conditions that must be understood and agreed to by you before further consideration may be given to the application. The loan will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area office staff of USDA, Rural Development. Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application. It should also be understood that Rural Development is under no obligation to provide additional funds to meet an overrun in construction costs.

This letter is not to be considered as loan approval or as a representation as to the availability of funds. The docket may be completed on the basis of a RUS loan not to exceed \$8,778,000 and a cash contribution from the applicant in the amount of \$100,000.

If Rural Development makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds," is mailed to you. If you want the lower of the two rates, your written request should be submitted to Rural Development as soon as practical. In order to avoid possible delays in loan closing, such a request should ordinarily be submitted at least 30 days before loan closing.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," if you desire that further consideration be given to your application.

The "Letter of Intent to Meet Conditions" must be executed within three weeks from the date of this letter or it becomes invalid unless a time extension is granted by Rural Development.

If the conditions set forth in this letter are not met within 240 days from the date hereof, Rural Development reserves the right to discontinue the processing of the application.

In signing Form RD 1942-46, "Letter of Intent to Meet Conditions," you are agreeing to complete the following as expeditiously as possible:

*USDA Rural Development is an Equal Opportunity Lender, Provider, and Employer.
Complaints of discrimination should be sent to:
USDA, Director, Office of Civil Rights, Washington, D.C. 20250-9410*

1. Number of Users and Their Contribution:

There shall be 3,660 existing sewer users and 4,148 existing water users. The Rural Development Manager will review and authenticate the number of users prior to advertising for construction bids.

2. Repayment Period:

The loan will be scheduled for repayment over a period not to exceed 40 years from the date of the bond. Principal payment will not be deferred for a period in excess of two (2) years from the date of the bond. Payments will be in accordance with applicable KRS, which requires interest to be paid semi-annually (January 1st and July 1st) and principal will be due on or before the first of January. Rural Development may require the City to adopt a supplemental payment agreement providing for monthly payments of principal and interest so long as the bond is held or insured by RUS. Monthly payments will be approximate amortized installments.

3. Recommended Repayment Method:

Payments on this loan can be made using the Preauthorized Debit (PAD) payment method. This procedure eliminates the need for paper checks and ensures timely receipt of RD loan payments. To initiate PAD payments, Form SF 5510, "Authorization Agreement for Preauthorized Payments," should be signed by the City to authorize the electronic withdrawal of funds from your designated bank account on the exact installment payment due date. The Rural Development Manager will furnish the necessary forms and further guidance on the PAD procedure.

4. Funded Depreciation Reserve Account:

The City will be required to deposit \$4,340.00 per month into a "Funded Depreciation Reserve Account" until the account reaches \$520,800. The deposits are to be resumed any time the account falls below the \$520,800.

The required monthly deposits to the Reserve Account and required Reserve Account levels are in addition to the requirements of the City's prior bond ordinances.

The monthly deposits to the Reserve Account are required to commence with the first month of the first full fiscal year after the facility becomes operational.

5. Security Requirements:

A combined pledge of gross water and sewer revenues will be provided in the Bond Ordinance. Bonds shall rank on a parity with existing bonds, if possible. If this is not possible, the bond will be subordinate and junior to the existing bonds, in which case the City will be required to abrogate its right to issue additional bonds ranking on a parity with the existing bonds, so long as any unpaid indebtedness remains on this bond issue.

6. Land Rights and Real Property:

The City will be required to furnish satisfactory title, easements, etc., necessary to install, maintain and operate the facility to serve the intended users. The pipelines will be on private rights-of-way where feasible. Easements and options are to be secured prior to advertising for construction bids.

7. Organization:

The City will be legally organized under applicable KRS, which will permit them to perform this service, borrow and repay money.

8. Business Operations:

The City will be required to operate the system under a well-established set of resolutions, rules and regulations. A budget must be established annually and adopted by the City after review by Rural Development. At no later than loan pre-closing, the City will be required to furnish a prior approved management plan to include, as a minimum, provisions for management, maintenance, meter reading, miscellaneous services, billing, collecting, bookkeeping, making and delivering required reports and audits.

9. Accounts, Records and Audits:

The City will be required to maintain adequate records and accounts and submit statistical and financial reports, quarterly and annually, in accordance with subsection 1780.47 of RUS Instruction 1780 and RUS Staff Instruction 1780-4, a copy of which is enclosed. The enclosed audit booklet will be used as a guide for preparation of audits. The City will be required to establish and maintain separate accounts for each system. Annual audits, budgets, and reports will be submitted to Rural Development showing separate accounts. The City shall be required to submit a copy of its audit agreement for review and approval prior to pre-closing the loan. Rural Development approval of the accounting system is required.

10. Accomplish Audits for Years in Which Federal Financial Assistance is Received:

The City will accomplish audits in accordance with OMB Circular A-133, during the years in which federal funds are received. The City will provide copies of the audits to the Area Office and the appropriate Federal cognizant agency as designated by OMB Circular A-133.

11. Insurance and Bonding:

The following insurance and bonding will be required:

- A. Adequate Liability and Property Damage Insurance including vehicular coverage, if applicable, must be obtained and maintained by the City. The City should obtain amounts of coverage as recommended by its attorney, consulting engineer and/or insurance provider.

- B. Worker's Compensation - The City will carry worker's compensation insurance for employees in accordance with applicable state laws.
- C. Fidelity Bond - The City will provide Fidelity Bond Coverage for all persons who have access to funds. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required for all RUS loans is \$525,000.
- D. Real Property Insurance - The City will obtain and maintain adequate fire and extended coverage on all structures including major items of equipment or machinery located in the structures. The amounts of coverage should be based on recommendations obtained by the City from its attorney, consulting engineer and/or insurance provider. Subsurface lift stations do not have to be covered except for the value of electrical and pumping equipment therein.
- E. Flood Insurance - The City will obtain and maintain adequate coverage on any facilities located in special flood and mudslide prone areas.

12. Planning and Performing Development:

- A. The engineer should not be authorized to commence work on final plans and specifications until a determination has been made that the project can be planned and constructed within the estimated cost shown in paragraph "21" of this letter. The engineer may then proceed to develop final plans and specifications to be completed no later than 210 days from this date, and prepare bid documents. The Rural Development Manager is prepared to furnish the necessary guide for him to follow so as to keep the project plans and documents within our guidelines and requirements. The project should not be advertised for construction bids until all easements and enforceable options have been obtained, and total funds are committed or available for the project.
- B. The following documents will be submitted to Rural Development for review and must be concurred in by Rural Development prior to advertisement for construction bids:
 - 1. Final plans, specifications and bid documents.
 - 2. Applicant's letter on efforts to encourage small business and minority-owned business participation.
 - 3. Legal Service Agreements.
 - ✓4. Engineering Agreements.

Revision in these documents will be subject to Rural Development concurrence. Any agreements, contracts, etc. not reviewed and approved by Rural Development will not be eligible for payment from project funds or revenues from facilities financed by this Agency.

Prior to receipt of an authorization to advertise for construction bids, the City will obtain advance clearance from Bond Counsel and/or Local Counsel regarding compliance with KRS 424 pertaining to publishing of the advertisement for construction bids in local newspapers and the period of time the notice is required to be published.

13. Compliance with Section 504 of the Rehabilitation Act of 1973:

The City will be required to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to make sure no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the water system, be denied the benefits of the water system, or be subjected to discrimination.

14. Closing Instructions:

The Office of General Counsel, our Regional Attorney, will be required to write closing instructions in connection with this loan. Conditions listed therein must be met by the City.

15. Compliance with Special Laws and Regulations:

The City will be required to conform to any and all state and local laws and regulations affecting this type project.

16. Treatment Plant/System Operator:

The City is reminded that the treatment plant and/or system operator must have an Operator's Certificate issued by the State.

17. Prior to Pre-Closing the Loan, the City will be Required to Adopt:

- A. Form RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)."
- B. Form RD 400-1, "Equal Opportunity Agreement."
- C. Form RD 400-4, "Assurance Agreement."
- D. Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- E. Form RD 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- F. FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."
- G. Form RD 442-7, "Operating Budget."

The City must offer the opportunity for all residents in the service area to become users of the facilities regardless of race, creed, color, religion, sex, national origin, marital status, physical or mental handicap or level of income.

18. Refinancing and Graduation Requirements:

The City is reminded that if at any time it shall appear to the Government that the City is able to refinance the amount of the RUS indebtedness then outstanding, in whole or in part, by obtaining a loan from commercial sources at reasonable rates and terms, upon the request of the Government, the City will apply for and accept such loan in sufficient amount to repay the Government.

19. Commercial Interim Financing:

The City will be required to use commercial interim financing for the project during construction for the RUS loan portion of the financing, if available at reasonable rates and terms.

Before the loan is closed, the City will be required to provide Rural Development with statements from the contractor, engineer and attorneys that they have been paid to date in accordance with their contract or other agreements and, in the case of the contractor, that he has paid his suppliers and sub-contractors.

20. Disbursement of Project Funds:

A construction account for the purpose of disbursement of project funds (RUS) will be established by the City prior to start of construction. The position of officials entrusted with the receipt and disbursement of RUS project funds will be covered by a "Fidelity Bond," with USDA-Rural Development as Co-Obligee, in the amount of construction funds on hand at any one time during the construction phase.

During construction, the City shall disburse project funds in a manner consistent with subsection 1780.76 (e) of RUS Instruction 1780. Form RD 1924-18, "Partial Payment Estimate," or similar form approved by Rural Development, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to Rural Development for review and acceptance. Prior to disbursement of funds by the City, the City Council shall review and approve each payment estimate. All bills and vouchers must be approved by Rural Development prior to payment by the City.

Form RD 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____," will be prepared by the City and submitted to Rural Development in order that a periodic advance of federal cash may be requested.

Monthly audits of the City's construction account records shall be made by Rural Development.

21. Cost of Facility:

Breakdown of Costs:

Development	\$ 7,085,000
Land and Rights	55,000
Legal and Administrative	30,000
Engineering	899,500
Interest	100,000
Contingencies	708,500
TOTAL	\$ 8,878,000

Financing:

RUS Loan	\$ 8,778,000
Applicant Contribution	100,000
TOTAL	\$ 8,878,000

22. Debt Collection Improvement Act (DCIA) of 1996:

The Debt Collection Improvement Act (DCIA) of 1996 requires that all federal payments after January 1, 1999 must be made by Electronic Funds Transfer/Automated Clearinghouse (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The borrower should complete Form SF-3881, "Electronic Funds Transfer Payment Enrollment Form," for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least thirty (30) days prior to the first advance of funds.

23. Use of Remaining Project Funds:

The applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining project funds will be considered to be RUS loan funds.

24. Rates and Charges:

Rates and charges for facilities and services rendered by the City must be at least adequate to meet cost of maintaining, repairing and operating the water and sewer systems and meeting required principal and interest payments and the required deposits to debt service and/or depreciation reserve.

Water rates will be at least:City - Residential

First	2,000	gallons @ \$	10.25 - Minimum Bill.
All Over	2,000	gallons @ \$	3.10 - per 1,000 gallons.

City - Commercial

First	2,000	gallons @ \$	10.25 - Minimum Bill.
Next	198,000	gallons @ \$	3.10 - per 1,000 gallons.
All Over	200,000	gallons @ \$	2.85 - per 1,000 gallons.

City - Large Meters

First	2,000	gallons @ \$	10.25 - Minimum Bill.
Next	198,000	gallons @ \$	3.10 - per 1,000 gallons.
All Over	200,000	gallons @ \$	2.85 - per 1,000 gallons.

County - Residential

First	2,000	gallons @ \$	10.25 - Minimum Bill.
All Over	2,000	gallons @ \$	3.25 - per 1,000 gallons.

County - Commercial

First	2,000	gallons @ \$	10.25 - Minimum Bill.
Next	198,000	gallons @ \$	3.25 - per 1,000 gallons.
All Over	200,000	gallons @ \$	3.00 - per 1,000 gallons.

County - Large Meters

First	2,000	gallons @ \$	10.25 - Minimum Bill.
Next	198,000	gallons @ \$	3.25 - per 1,000 gallons.
All Over	200,000	gallons @ \$	3.00 - per 1,000 gallons.

Wholesale Water Rates:

South Anderson Water District - \$ 2.18 per 1,000 gallons

Alton Water and Sewer District - \$ 2.18 per 1,000 gallons

Sewer rates will be at least:City - Residential

First	2,000	gallons @ \$	7.80. - Minimum Bill.
Next	8,000	gallons @ \$	3.10 - per 1,000 gallons.
Next	20,000	gallons @ \$	2.70 - per 1,000 gallons.
All Over	30,000	gallons @ \$	2.40 - per 1,000 gallons.

City – Commercial

First	2,000	gallons @ \$	7.80. - Minimum Bill.
Next	8,000	gallons @ \$	3.10 - per 1,000 gallons.
Next	20,000	gallons @ \$	2.70 - per 1,000 gallons.
Next	30,000	gallons @ \$	2.40 - per 1,000 gallons.
Next	40,000	gallons @ \$	1.95 - per 1,000 gallons.
Next	100,000	gallons @ \$	1.85 - per 1,000 gallons.
Next	300,000	gallons @ \$	1.75 - per 1,000 gallons.
All Over	500,000	gallons @ \$	1.67 - per 1,000 gallons.

City – Large Meters

First	2,000	gallons @ \$	7.80 - Minimum Bill.
Next	8,000	gallons @ \$	3.10 - per 1,000 gallons.
Next	20,000	gallons @ \$	2.70 - per 1,000 gallons.
All Over	30,000	gallons @ \$	2.40 - per 1,000 gallons.

25. Commitment of Applicant Cash Contribution:

This Letter of Conditions is issued contingent upon a firm commitment being in effect prior to advertising for construction bids for the applicant cash contribution of \$100,000.

*26. Water Withdrawal Permit:

The City will be required to obtain satisfactory evidence that a revised water withdrawal permit has been secured from the Division of Water. The permit must be obtained prior to the commencement of construction on the water project.

27. Mitigation Measures:

- A. The City shall be required to comply with the requirements of the Kentucky State Clearinghouse as detailed by letter to Mr. David Shrader, dated June 22, 2001, and signed by Mr. Ronald W. Cook.
- B. The City shall be required to comply with the requirements, if any, of the U.S. Fish and Wildlife Service as requested by letter dated September 13, 2001, and signed by Lee A. Barclay, Ph.D., Field Supervisor.
- C. The City will comply with all applicable executive orders and regulations that are applicable to the preservation of Prime Farmlands, Cultural and Historic Resources, Wetlands.
- D. The City will require the Engineer to design and the Contractor to construct the modifications to the raw water intake in accordance with the Corp of Engineer's requirements for floodplain construction.

28. Final Approval Conditions:

Final approval of this loan will depend on your willingness, with the assistance of all your co-workers, to meet the conditions of this letter in an orderly and systematic manner. Then too, final approval will depend on funds being available.

If you desire to proceed with your application, the Rural Development Manager will allot a reasonable portion of time to provide guidance in application processing.

Sincerely,


KENNETH SLONE

State Director
Rural Development

Enclosures

cc: Rural Development Manager – Shelbyville, Kentucky
Community Development Manager - Nicholasville, Kentucky
Bluegrass ADD - Lexington, Kentucky
Henry M. Reed, III, Bond Counsel - Louisville, Kentucky
John David Miles, Local Counsel - Shelbyville, Kentucky
CDP Engineers, Inc. - Lexington, Kentucky

RUN DATE: 01/08/04 16:53
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
 program 10-2-1

SERVICE: ALL
 RATE TABLE: ALL

DATE RANGE: 01/01/99 THRU 12/31/99
 ACCOUNT RANGE: 14-0140 THRU 14-0140

ACCOUNT CLASS RANGE: A THRU Z
 MASTER METER RANGE: ALL
 VOLUME RANGE: -99999.9 THRU 999999.9

ACCOUNT	CUSTOMER'S NAME		SERVICE ADDRESS		CITY	CLASS	SS/FED ID	SERVICE(S)								
14-0140	SOUTH ANDERSON WATER		HIGHWAY 62		LAWRENCEBURG	0		W F								
rt	date	code	usage	a/r bal	credits	charges	f/c	utx	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	01/28	BIL	47770.0			5589.09										5589.09
WD	02/25	BIL	53870.0			6302.79										6302.79
WD	03/29	BIL	42960.0			5026.32										5026.32
WD	04/29	BIL	67880.0			7941.96										7941.96
WD	05/25	BIL	32670.0			3822.39										3822.39
WD	06/28	BIL	61180.0			7158.06										7158.06
WD	07/28	BIL	49470.0			5787.99										5787.99
WD	08/26	BIL	64540.0			7551.18										7551.18
WD	09/29	BIL	54280.0			6350.76										6350.76
WD	10/28	BIL	58680.0			6865.56										6865.56
WD	11/18	BIL	46310.0			5418.27										5418.27
WD	12/29	BIL	51990.0			6082.83										6082.83

SERVICE TOTALS: 631600.0					0.00	73897.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	73897.20

FA	01/28	BIL	47770.0			181.53										181.53
FA	02/25	BIL	53870.0			204.71										204.71
FA	03/29	BIL	42960.0			163.25										163.25
FA	04/29	BIL	67880.0			257.94										257.94
FA	05/25	BIL	32670.0			124.15										124.15
FA	06/28	BIL	61180.0			232.48										232.48
FA	07/28	BIL	49470.0			187.99										187.99
FA	08/26	BIL	64540.0			245.25										245.25
FA	09/29	BIL	54280.0			206.26										206.26
FA	10/28	BIL	58680.0			222.98										222.98
FA	11/18	BIL	46310.0			175.98										175.98
FA	12/29	BIL	51990.0			197.56										197.56

SERVICE TOTALS: 631600.0					0.00	2400.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2400.08

ACCOUNT TOTALS:					0.00	76297.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76297.28

a/r bal (A/R BALANCE at time of billing) not included in report totals

RUN DATE: 01/08/04 16:53
TERMINAL: 1

CITY OF LAWRENCEBURG
HISTORY TRACKING BY ACCOUNT NUMBER
DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
program 10-2-1

SERVICE: ALL DATE RANGE: 01/01/98 THRU 06/30/99 ACCOUNT CLASS RANGE: A THRU Z
RATE TABLE: ALL ACCOUNT RANGE: 14-0140 THRU 14-0140 MASTER METER RANGE: ALL
YEAR: 1998 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME	SERVICE ADDRESS	CITY	CLASS	SS/FED ID	SERVICE(S)										
14-0140	SOUTH ANDERSON WATER	HIGHWAY 62	LAWRENCEBURG	0		W F										
rt date	code	usage	a/r bal	credits	charges	f/c	utx	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c		totals
WD 01/29	BIL	47150.0			5516.55											5516.55
WD 02/24	BIL	50990.0			5965.83											5965.83
WD 03/27	BIL	40460.0			4733.82											4733.82
WD 04/28	BIL	42790.0			5006.43											5006.43
WD 05/28	BIL	43930.0			5139.81											5139.81
WD 06/25	BIL	58210.0			6810.57											6810.57
WD 07/28	BIL	46230.0			5408.91											5408.91
WD 08/26	BIL	50430.0			5900.31											5900.31
WD 09/29	BIL	64000.0			7488.00											7488.00
WD 10/29	BIL	56900.0			6657.30											6657.30
WD 11/25	BIL	54940.0			6427.98											6427.98
WD 12/23	BIL	45880.0			5367.96											5367.96

SERVICE TOTALS: 601910.0				0.00	70423.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		70423.47

FA 01/29	BIL	47150.0			179.17											179.17
FA 02/24	BIL	50990.0			193.76											193.76
FA 03/27	BIL	40460.0			153.75											153.75
FA 04/28	BIL	42790.0			162.60											162.60
FA 05/28	BIL	43930.0			166.93											166.93
FA 06/25	BIL	58210.0			221.20											221.20
FA 07/28	BIL	46230.0			175.67											175.67
FA 08/26	BIL	50430.0			191.63											191.63
FA 09/29	BIL	64000.0			243.20											243.20
FA 10/29	BIL	56900.0			216.22											216.22
FA 11/25	BIL	54940.0			208.77											208.77
FA 12/23	BIL	45880.0			174.34											174.34

SERVICE TOTALS: 601910.0				0.00	2287.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		2287.24

ACCOUNT TOTALS:				0.00	72710.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		72710.71

RUN DATE: 01/08/04 16:53
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

PAGE 2
 program 10-2-1

SERVICE: ALL
 RATE TABLE: ALL
 YEAR: 1999

DATE RANGE: 01/01/98 THRU 06/30/99
 ACCOUNT RANGE: 14-0140 THRU 14-0140

ACCOUNT CLASS RANGE: A THRU Z
 MASTER METER RANGE: ALL
 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME		SERVICE ADDRESS		CITY	CLASS	SS/FED ID	SERVICE(S)								
14-0140	SOUTH ANDERSON WATER		HIGHWAY 62		LAWRENCEBURG	D		# F								
rt	date	code	usage	a/r bal	credits	charges	f/c	utr	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	01/28	BIL	47770.0			5589.09										5589.09
WD	02/25	BIL	53870.0			6302.79										6302.79
WD	03/29	BIL	42960.0			5026.32										5026.32
WD	04/29	BIL	67880.0			7941.96										7941.96
WD	05/25	BIL	32670.0			3822.39										3822.39
WD	06/28	BIL	61180.0			7158.06										7158.06

SERVICE TOTALS: 306330.0					0.00	35840.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35840.61

FA	01/28	BIL	47770.0			181.53										181.53
FA	02/25	BIL	53870.0			204.71										204.71
FA	03/29	BIL	42960.0			163.25										163.25
FA	04/29	BIL	67880.0			257.94										257.94
FA	05/25	BIL	32670.0			124.15										124.15
FA	06/28	BIL	61180.0			232.48										232.48

SERVICE TOTALS: 306330.0					0.00	1164.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1164.06

ACCOUNT TOTALS:					0.00	37004.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37004.67

a/r bal (A/R BALANCE at time of billing) not included in report totals

RUN DATE: 01/08/04 16:51
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
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SERVICE: ALL
 RATE TABLE: ALL

DATE RANGE: 01/01/99 THRU 12/31/99
 ACCOUNT RANGE: 14-0050 THRU 14-0050

ACCOUNT CLASS RANGE: A THRU Z
 MASTER METER RANGE: ALL
 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME			SERVICE ADDRESS			CITY		CLASS	SS/FED ID		SERVICE(S)				
14-0050	SOUTH ANDERSON WATER			HIGHWAY 44			LAWRENCEBURG		0			M F				
rt	date	code	usage	a/r bal	credits	charges	f/c	utr	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	01/28	BIL	5438.0			636.25										636.25
WD	02/25	BIL	5956.0			696.85										696.85
WD	03/29	BIL	4823.0			564.29										564.29
WD	04/29	BIL	4750.0			555.75										555.75
WD	05/25	BIL	5366.0			627.82										627.82
WD	06/28	BIL	13925.0			1629.23										1629.23
WD	07/28	BIL	15800.0			1848.60										1848.60
WD	08/26	BIL	20870.0			2441.79										2441.79
WD	09/29	BIL	17982.0			2103.89										2103.89
WD	10/28	BIL	17903.0			2094.65										2094.65
WD	11/18	BIL	14726.0			1722.94										1722.94
WD	12/29	BIL	16719.0			1956.12										1956.12

SERVICE TOTALS: 144258.0					0.00	16878.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16878.18

FA	01/28	BIL	5438.0			20.66										20.66
FA	02/25	BIL	5956.0			22.63										22.63
FA	03/29	BIL	4823.0			18.33										18.33
FA	04/29	BIL	4750.0			18.05										18.05
FA	05/25	BIL	5366.0			20.39										20.39
FA	06/28	BIL	13925.0			52.92										52.92
FA	07/28	BIL	15800.0			60.04										60.04
FA	08/26	BIL	20870.0			79.31										79.31
FA	09/29	BIL	17982.0			68.33										68.33
FA	10/28	BIL	17903.0			68.03										68.03
FA	11/18	BIL	14726.0			55.96										55.96
FA	12/29	BIL	16719.0			63.53										63.53

SERVICE TOTALS: 144258.0					0.00	548.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	548.18

ACCOUNT TOTALS:					0.00	17426.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17426.36

a/r bal (A/R BALANCE at time of Billing) not included in report totals

RUN DATE: 01/08/04 16:48
TERMINAL: 1

CITY OF LAWRENCEBURG
HISTORY TRACKING BY ACCOUNT NUMBER
DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
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SERVICE: ALL
RATE TABLE: ALL
YEAR: 1998

DATE RANGE: 01/01/98 THRU 06/30/99
ACCOUNT RANGE: 14-0050 THRU 14-0050

ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME	SERVICE ADDRESS	CITY	CLASS	SS/FED ID	SERVICE(S)										
14-0050	SOUTH ANDERSON WATER	HIGHWAY 44	LAWRENCEBURG	0		W F										
rt	date	code	usage	a/r bal	credits	charges	f/r	utx	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	01/29	BIL	5209.0			609.45										609.45
WD	02/24	BIL	5573.0			652.04										652.04
WD	03/27	BIL	4783.0			559.61										559.61
WD	04/28	BIL	4834.0			565.58										565.58
WD	05/28	BIL	4809.0			562.65										562.65
WD	06/25	BIL	6972.0			815.72										815.72
WD	07/28	BIL	5514.0			645.14										645.14
WD	08/26	BIL	6251.0			731.37										731.37
WD	09/29	BIL	8878.0			1038.73										1038.73
WD	10/29	BIL	8482.0			992.39										992.39
WD	11/25	BIL	9447.0			1105.30										1105.30
WD	12/23	BIL	7414.0			867.44										867.44

SERVICE TOTALS:		78166.0		0.00	9145.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9145.42

FA	01/29	BIL	5209.0			19.79										19.79
FA	02/24	BIL	5573.0			21.18										21.18
FA	03/27	BIL	4783.0			18.18										18.18
FA	04/28	BIL	4834.0			18.37										18.37
FA	05/28	BIL	4809.0			18.27										18.27
FA	06/25	BIL	6972.0			26.49										26.49
FA	07/28	BIL	5514.0			20.95										20.95
FA	08/26	BIL	6251.0			23.75										23.75
FA	09/29	BIL	8878.0			33.74										33.74
FA	10/29	BIL	8482.0			32.23										32.23
FA	11/25	BIL	9447.0			35.90										35.90
FA	12/23	BIL	7414.0			28.17										28.17

SERVICE TOTALS:		78166.0		0.00	297.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	297.02

ACCOUNT TOTALS:				0.00	9442.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9442.44

RUN DATE: 01/08/04 16:48
TERMINAL: 1

CITY OF LAWRENCEBURG
HISTORY TRACKING BY ACCOUNT NUMBER
DATE RANGE LISTING (DETAILED FORMAT)

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SERVICE: ALL
RATE TABLE: ALL
YEAR: 1999

DATE RANGE: 01/01/98 THRU 06/30/99
ACCOUNT RANGE: 14-0050 THRU 14-0050

ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME			SERVICE ADDRESS			CITY		CLASS	SS/FED ID		SERVICE(S)				
14-0050	SOUTH ANDERSON WATER			HIGHWAY 44			LAWRENCEBURG		0			M F				
rt	date	code	usage	a/r bal	credits	charges	f/c	utr	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	01/28	BIL	5438.0			636.25										636.25
WD	02/25	BIL	5956.0			696.85										696.85
WD	03/29	BIL	4823.0			564.29										564.29
WD	04/29	BIL	4750.0			555.75										555.75
WD	05/25	BIL	5366.0			627.82										627.82
WD	06/28	BIL	13925.0			1629.23										1629.23

SERVICE TOTALS:				40258.0		0.00	4710.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4710.19

FA	01/28	BIL	5438.0			20.66										20.66
FA	02/25	BIL	5956.0			22.63										22.63
FA	03/29	BIL	4823.0			18.33										18.33
FA	04/29	BIL	4750.0			18.05										18.05
FA	05/25	BIL	5366.0			20.39										20.39
FA	06/28	BIL	13925.0			52.92										52.92

SERVICE TOTALS:				40258.0		0.00	152.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	152.98

ACCOUNT TOTALS:						0.00	4863.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4863.17

a/r bal (A/R BALANCE at time of billing) not included in report totals

RUN DATE: 01/08/04 16:52
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
 program 10-2-1

SERVICE: ALL
 RATE TABLE: ALL

DATE RANGE: 01/01/99 THRU 12/31/99
 ACCOUNT RANGE: 14-0130 THRU 14-0130

ACCOUNT CLASS RANGE: A THRU Z
 MASTER METER RANGE: ALL
 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME				SERVICE ADDRESS			CITY			CLASS	SS/FED ID	SERVICE(S)				
14-0130	SOUTH ANDERSON WATER				U S 127			LAWRENCEBURG			0		M F				
rt	date	code	usage	a/r bal	credits	charges	f/c	vtx	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals	
WD	01/28	BIL	21650.0			2533.05										2533.05	
WD	02/25	BIL	23180.0			2712.06										2712.06	
WD	03/29	BIL	18390.0			2151.63										2151.63	
WD	04/29	BIL	19670.0			2301.39										2301.39	
WD	05/25	BIL	22790.0			2666.43										2666.43	
WD	06/28	BIL	28870.0			3377.79										3377.79	
WD	07/28	BIL	24390.0			2853.63										2853.63	
WD	08/26	BIL	31460.0			3680.82										3680.82	
WD	09/29	BIL	26300.0			3077.10										3077.10	
WD	10/28	BIL	27170.0			3178.89										3178.89	
WD	11/18	BIL	23270.0			2722.59										2722.59	
WD	12/29	BIL	25050.0			2930.85										2930.85	

SERVICE TOTALS:			292190.0		0.00	34186.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34186.23	

FA	01/28	BIL	21650.0			82.27										82.27	
FA	02/25	BIL	23180.0			88.08										88.08	
FA	03/29	BIL	18390.0			69.88										69.88	
FA	04/29	BIL	19670.0			74.75										74.75	
FA	05/25	BIL	22790.0			86.60										86.60	
FA	06/28	BIL	28870.0			109.71										109.71	
FA	07/28	BIL	24390.0			92.68										92.68	
FA	08/26	BIL	31460.0			119.55										119.55	
FA	09/29	BIL	26300.0			99.94										99.94	
FA	10/28	BIL	27170.0			103.25										103.25	
FA	11/18	BIL	23270.0			88.43										88.43	
FA	12/29	BIL	25050.0			95.19										95.19	

SERVICE TOTALS:			292190.0		0.00	1110.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1110.33	

ACCOUNT TOTALS:					0.00	35296.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35296.56	

a/r bal (A/R BALANCE at time of billing) not included in report totals

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ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

a/r bal (A/R BALANCE at time of billing) not included in report totals

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ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

[illegible]

RUN DATE: 01/08/04 16:57
TERMINAL: 1

CITY OF LAWRENCEBURG
HISTORY TRACKING BY ACCOUNT NUMBER
DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
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SERVICE: ALL
RATE TABLE: ALL

DATE RANGE: 01/01/99 THRU 12/31/99
ACCOUNT RANGE: 14-0020 THRU 14-0020

ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME			SERVICE ADDRESS			CITY	CLASS	SS/FED ID	SERVICE(S)							
14-0020	ALTON WATER DISTRICT			1143 ALTON STATION RD			LAWRENCEBURG	0		Y							
	rt	date	code	usage	a/r bal	credits	charges	f/c	utv	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
YB	01/28	BIL		48903.0			6601.91										6601.91
YB	02/25	BIL		64597.0			8720.60										8720.60
YB	03/29	BIL		41100.0			5548.50										5548.50
YB	04/29	BIL		41754.0	5548.50		5636.79										5636.79
YB	05/25	BIL		34270.0			4626.45										4626.45
YB	06/28	BIL		31834.0			4297.59										4297.59
YB	07/28	BIL		33512.0			4524.12										4524.12
YB	08/26	BIL		40966.0			5530.41										5530.41
YB	09/29	BIL		34829.0			4701.92										4701.92
YB	10/28	BIL		38199.0			5156.87										5156.87
YB	11/18	BIL		35580.0			4803.30										4803.30
YB	12/29	BIL		38045.0			5136.08										5136.08

SERVICE TOTALS: 483589.0						0.00	65284.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65284.54

a/r bal (A/R BALANCE at time of billing) not included in report totals

RUN DATE: 01/08/04 16:56
TERMINAL: 1

CITY OF LAWRENCEBURG
HISTORY TRACKING BY ACCOUNT NUMBER
DATE RANGE LISTING (DETAILED FORMAT)

PAGE 2
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SERVICE: ALL
RATE TABLE: ALL
YEAR: 1999

DATE RANGE: 07/01/98 THRU 06/30/99
ACCOUNT RANGE: 14-0020 THRU 14-0020

ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME			SERVICE ADDRESS			CITY	CLASS	SS/FED ID		SERVICE(S)					
14-0020	ALTON WATER DISTRICT			1143 ALTON STATION RD			LAWRENCEBURG	0			Y					
rt	date	code	usage	a/r bal	credits	charges	f/r	mix	tax-1	tax-2	tax-3	tax-4	tax-5	a/f	l/c	totals
YB	01/28	BIL	48903.0			6601.91										6601.91
YB	02/25	BIL	64597.0			8720.60										8720.60
YB	03/29	BIL	41100.0			5548.50										5548.50
YB	04/29	BIL	41754.0	5548.50		5636.79										5636.79
YB	05/25	BIL	34270.0			4626.45										4626.45
YB	06/28	BIL	31834.0			4297.59										4297.59

SERVICE TOTALS: 262458.0					0.00	35431.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35431.84

a/r bal (A/R BALANCE at time of billing) not included in report totals

CITY OF LAWRENCEBURG
HISTORY TRACKING BY ACCOUNT NUMBER
DATE RANGE LISTING (DETAILED FORMAT)

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DATE RANGE: 07/01/98 THRU 06/30/99
ACCOUNT RANGE: 14-0020 THRU 14-0020

ACCOUNT CLASS RANGE: A THRU Z
MASTER METER RANGE: ALL
VOLUME RANGE: -99999.9 THRU 999999.

[illegible]

RUN DATE: 01/08/04 16:58
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
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SERVICE: ALL
 RATE TABLE: ALL

DATE RANGE: 01/01/99 THRU 12/31/99
 ACCOUNT RANGE: 14-0045 THRU 14-0045

ACCOUNT CLASS RANGE: A THRU Z
 MASTER METER RANGE: ALL
 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME			SERVICE ADDRESS			CITY		CLASS	SS/FED ID		SERVICE(S)					
14-0045	ALTON WATER DISTRICT			1380 ALTON STATION RD			LAWRENCEBURG		0			W F					
	ri	date	code	usage	a/r bal	credits	charges	f/c	utx	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	01/28	BIL	44580.0				5215.86										5215.86
WD	02/25	BIL	46220.0				5407.74										5407.74
WD	03/29	BIL	38210.0				4470.57										4470.57
WD	04/29	BIL	42340.0	4470.57			4953.78										4953.78
WD	05/25	BIL	45960.0				5377.32										5377.32
WD	06/28	BIL	56930.0				6660.81										6660.81
WD	07/28	BIL	48000.0				5616.00										5616.00
WD	08/26	BIL	63240.0				7399.08										7399.08
WD	09/29	BIL	54420.0				6367.14										6367.14
WD	10/28	BIL	59380.0				6947.46										6947.46
WD	11/18	BIL	46750.0				5469.75										5469.75
WD	12/29	BIL	53020.0				6203.34										6203.34

SERVICE TOTALS:				599050.0		0.00	70088.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70088.85

FA	01/28	BIL	44580.0				169.40										169.40
FA	02/25	BIL	46220.0				175.64										175.64
FA	03/29	BIL	38210.0				145.20										145.20
FA	04/29	BIL	42340.0	145.20			160.89										160.89
FA	05/25	BIL	45960.0				174.65										174.65
FA	06/28	BIL	56930.0				216.33										216.33
FA	07/28	BIL	48000.0				182.40										182.40
FA	08/26	BIL	63240.0				240.31										240.31
FA	09/29	BIL	54420.0				206.80										206.80
FA	10/28	BIL	59380.0				225.64										225.64
FA	11/18	BIL	46750.0				177.65										177.65
FA	12/29	BIL	53020.0				201.48										201.48

SERVICE TOTALS:				599050.0		0.00	2276.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2276.39

ACCOUNT TOTALS:					0.00	72365.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72365.24

a/r bal (A/R BALANCE at time of billing) not included in report totals

RUN DATE: 01/08/04 16:57
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

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SERVICE: ALL
 RATE TABLE: ALL
 YEAR: 1999

DATE RANGE: 07/01/98 THRU 06/30/99
 ACCOUNT RANGE: 14-0045 THRU 14-0045

ACCOUNT CLASS RANGE: A THRU Z
 MASTER METER RANGE: ALL
 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME				SERVICE ADDRESS			CITY	CLASS	SS/FED ID		SERVICE(S)				
14-0045	ALTON WATER DISTRICT				1380 ALTON STATION RD			LAWRENCEBURG	0			W F				
	rt	date	code	usage	a/r bal	credits	charges	f/c	qty	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c
	WD	01/28	BIL	44580.0			5215.86									
	WD	02/25	BIL	46220.0			5407.74									
	WD	03/29	BIL	38210.0			4470.57									
	WD	04/29	BIL	42340.0	4470.57		4953.78									
	WD	05/25	BIL	45960.0			5377.32									
	WD	06/28	BIL	56930.0			6660.81									

SERVICE TOTALS: 274240.0						0.00	32086.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	FA	01/28	BIL	44580.0			169.40									
	FA	02/25	BIL	46220.0			175.64									
	FA	03/29	BIL	38210.0			145.20									
	FA	04/29	BIL	42340.0	145.20		160.89									
	FA	05/25	BIL	45960.0			174.65									
	FA	06/28	BIL	56930.0			216.33									

SERVICE TOTALS: 274240.0						0.00	1042.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

ACCOUNT TOTALS:						0.00	33128.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

a/r bal (A/R BALANCE at time of billing) not included in report totals

RUN DATE: 01/08/04 16:57
 TERMINAL: 1

CITY OF LAWRENCEBURG
 HISTORY TRACKING BY ACCOUNT NUMBER
 DATE RANGE LISTING (DETAILED FORMAT)

PAGE 1
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SERVICE: ALL DATE RANGE: 07/01/98 THRU 06/30/99 ACCOUNT CLASS RANGE: A THRU Z
 RATE TABLE: ALL ACCOUNT RANGE: 14-0045 THRU 14-0045 MASTER METER RANGE: ALL
 YEAR: 1998 VOLUME RANGE: -99999.9 THRU 999999.

ACCOUNT	CUSTOMER'S NAME	SERVICE ADDRESS	CITY	CLASS	SS/FED ID	SERVICE(S)										
14-0045	ALTON WATER DISTRICT	1380 ALTON STATION RD	LAWRENCEBURG	0		W F										
rt	date	code	usage	a/r bal	credits	charges	f/c	utx	tax-1	tax-2	tax-3	tax-4	tax-5	e/f	l/c	totals
WD	07/26	BIL	15730.0			1840.41										1840.41
WD	08/26	BIL	12800.0			1497.60										1497.60
WD	09/29	BIL	15330.0			1793.61										1793.61
WD	10/29	BIL	14200.0			1661.40										1661.40
WD	11/25	BIL	19090.0			2233.53										2233.53
WD	12/23	BIL	48750.0			5703.75										5703.75

SERVICE TOTALS:				125900.0		0.00 14730.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14730.30

FA	07/28	BIL	15730.0			59.77										59.77
FA	08/26	BIL	12800.0			48.64										48.64
FA	09/29	BIL	15330.0			58.25										58.25
FA	10/29	BIL	14200.0			53.96										53.96
FA	11/25	BIL	19090.0			72.54										72.54
FA	12/23	BIL	48750.0			185.25										185.25

SERVICE TOTALS:				125900.0		0.00 478.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	478.41

ACCOUNT TOTALS:						0.00 15208.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15208.71
